

et Sci
£

HG

2710

T74C3

1916/17



THE CANADIAN BANK OF COMMERCE

ANNUAL REPORT

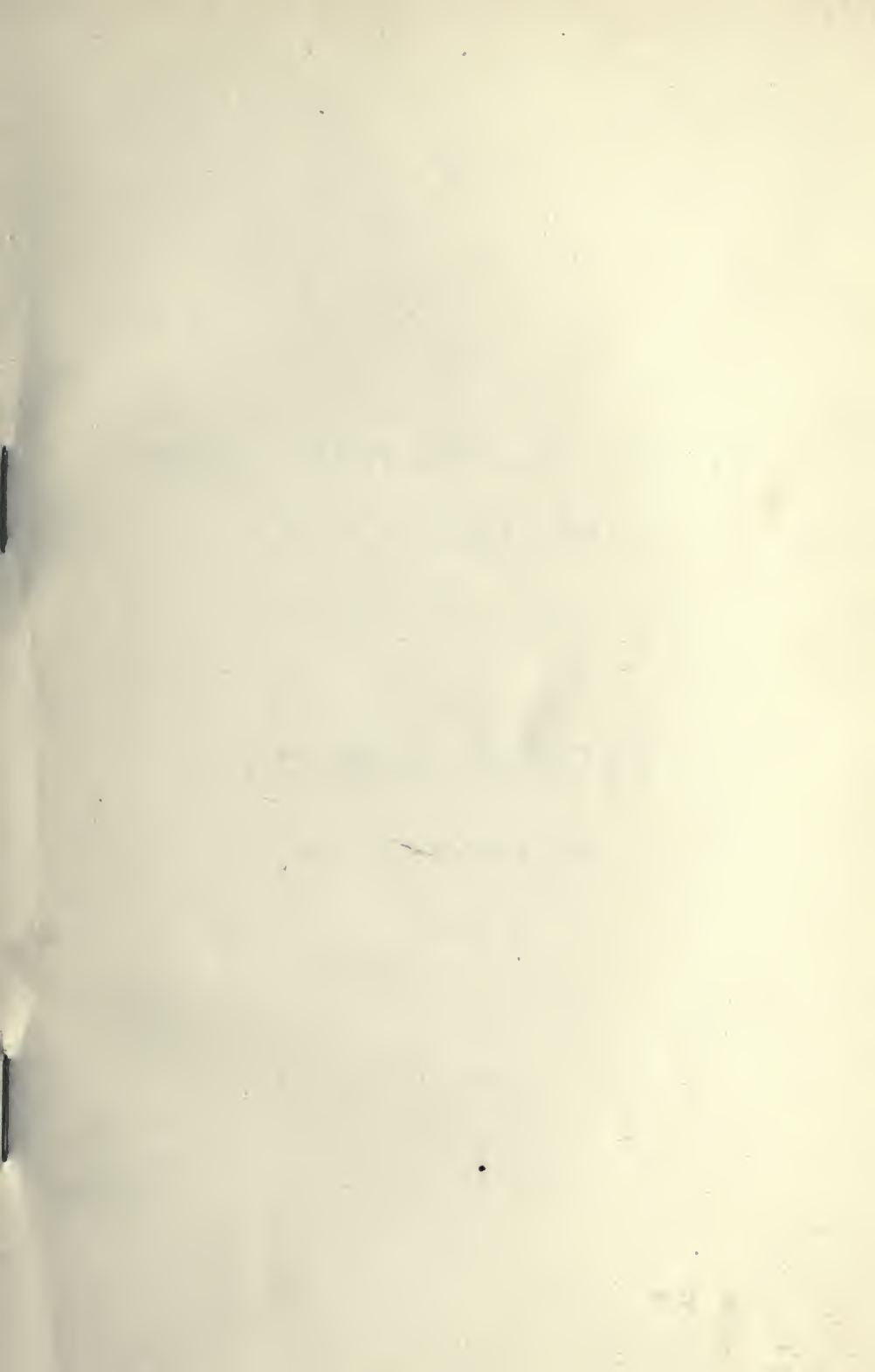
TO WHICH IS APPENDED

A REVIEW OF BUSINESS CONDITIONS

DURING THE YEAR 1917

1916/17

30th NOVEMBER, 1917



THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

30TH NOVEMBER, 1917



| | | | | | | |
|-----------------|---|---|---|---|---|--------------|
| CAPITAL PAID-UP | - | - | - | - | - | \$15,000,000 |
| REST | - | - | - | - | - | 13,500,000 |

| | |
|--|--------------------------------|
| JOHN HOSKIN, Esq., K.C., LL.D., D.C.L. | WM. FARWELL, Esq., D.C.L. |
| SIR JOSEPH FLAVELLE, BART., LL.D. | A. C. FLUMERFELT, Esq. |
| A. KINGMAN, Esq. | HON. GEO. G. FOSTER, K.C. |
| HON. W. C. EDWARDS | CHAS. COLBY, Esq., M.A., Ph.D. |
| E. R. WOOD, Esq. | G. W. ALLAN, Esq., K.C., M.P. |
| ROBERT STUART, Esq. | H. J. FULLER, Esq. |
| SIR JOHN MORISON GIBSON, K.C.M.G., | F. P. JONES, Esq. |
| K.C., LL.D. | H. C. COX, Esq. |
| G. F. GALT, Esq. | C. N. CANDEE, Esq. |

WILLIAM C. WARD, Esq., Chairman
HENRY J. GARDINER, Eso.

H. N. WALLACE, Esq., Chairman
C. W. ANDERSON, Esq. W. J. G. THOMSON, Esq.
JOHN MACNAB, Esq.

WM. FARWELL, Esq., D.C.L., Chairman
J. S. MITCHELL, Esq. F. N. McCREA, Esq., M.P.
B. C. HOWARD, Esq.



Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

GENERAL MANAGER - - - - - Sir John Aird

ASSISTANT GENERAL MANAGER - - - H. V. F. Jones

SUPERINTENDENT OF BRANCHES - - - A. H. Ireland

SUPERINTENDENT OF PACIFIC COAST BRANCHES - - H. H. Morris

SUPERINTENDENT OF CENTRAL WESTERN BRANCHES V. C. Brown

SUPERINTENDENT OF EASTERN TOWNSHIPS BRANCHES

E. L. Stewart Patterson

CHIEF INSPECTOR - - - - - R. A. Rumsey

INSPECTORS

Wm. Hogg, W. Spier, A. G. Campbell, C. L. Foster,

J. B. Corbet.

ASSISTANT INSPECTORS

E. C. Grundy, E. E. Henderson, B. P. Alley, W. P. Rapley,

D. B. Falkner, G. F. Parton, W. Hastie,

D. Clarkson, H. G. Hurlburt.

AUDITOR

D. G. Kennedy.

SUPERVISOR OF BANK PREMISES - - - - - Duncan Donald

SECRETARY - - - - - A. St. L. Trigge

ASSISTANT SECRETARY - - - - - P. H. Nowers

FOREIGN DEPARTMENT

SUPERVISOR - - - - - S. H. Logan

ASSISTANT SUPERVISOR - - - - - H. P. van Gelder

BRANCHES

BRITISH COLUMBIA AND YUKON—

| | | |
|-----------------------------------|----------------------------|------------|
| CHILLIWACK | K. V. MUNRO | Manager |
| COURTENAY | F. C. BROCK | " |
| CRANBROOK | C. W. HALLAMORE | " |
| CRESTON | C. G. BENNETT | " |
| CUMBERLAND | A. J. BURNSIDE | " |
| DAWSON, YUKON | T. S. LEITCH | " |
| DUNCAN | A. J. MARLOW | " |
| FERNIE | G. A. BONNALLIE | " |
| GOLDEN | N. M. FOULKES | " |
| GRAND FORKS | C. H. NILES | " |
| GREENWOOD | H. C. B. LUCAS | " |
| KAMLOOPS | G. S. HOLT | " |
| KELOWNA | J. A. FORSTER | " |
| KEREMEOS | E. F. CORBET | Act. Mgr. |
| LADYSMITH | A. G. VERCHÈRE | Manager |
| MISSION CITY | W. H. MATHEWSON | " |
| NAKUSP | W. M. BLACKSTOCK | Act. Mgr. |
| NANAIMO | E. H. BIRD | Manager |
| NELSON | P. B. FOWLER | " |
| NEW WESTMINSTER | H. R. DAVIDSON | " |
| NORTH VANCOUVER | H. G. PANGMAN | " |
| PARKSVILLE | H. T. NEWMARCH | " |
| PENTICTON | THOMAS ANDREWS | " |
| PHOENIX | H. C. B. LUCAS | " |
| POUCE COUPÉ | W. R. CRUIKSHANK | Act. Mgr. |
| PRINCE RUPERT | L. M. DE GEX | Manager |
| PRINCETON | J. D. ANDRAS | " |
| REVELSTOKE | W. J. COULTHARD | " |
| SALMON ARM | F. W. HEATHCOTE | " |
| SOUTH HILL | P. S. WOOD | " |
| VANCOUVER | G. V. HOLT | " |
| Do. COMMERCIAL DRIVE | A. C. STEVEN | Asst. Mgr. |
| Do. EAST | W. H. JAMES | Manager |
| Do. FAIRVIEW | C. W. DURRANT | " |
| Do. HASTINGS AND CAMBIE | M. NICHOLSON | " |
| Do. KITSILANO | F. L. CRAWFORD | " |
| Do. MOUNT PLEASANT | P. GOMERY | " |
| Do. POWELL ST | HUBERT HAINES | " |
| VERNON | H. B. GORDON | " |
| VICTORIA | J. I. E. CORBET | " |
| Do. NORTH | W. H. HARGRAVE | " |
| Do. OAK BAY AVE. | H. R. BEAVEN | " |
| WHITE HORSE, YUKON | E. G. SANFORD | " |
| | J. C. NEWMARCH | " |

SUB-AGENCY

| | Sub-Agency to | Open for business |
|-----------------------|------------------|------------------------|
| COBBLE HILL | Duncan | Mon. and Thur, 11 to 3 |

WESTERN PROVINCES—

| | | |
|-------------------------|-------------------------|---------|
| ADMIRAL, SASK | E. W. SPURR | Manager |
| BASSANO, ALTA | R. P. FINDLAY | " |
| BAWLf, ALTA | E. L. KENNY | " |

BRANCHES—Continued

| | | |
|-------------------------------|-----------------------------|------------|
| BENGOUGH, SASK | J. J. MACMAHON | Act. Mgr. |
| BIGGAR, SASK. | S. H. CURRAN | Manager |
| BIRCH HILLS, SASK | F. J. HALLIDAY | Act. Mgr. |
| BLAINE LAKE, SASK.. . . . | F. J. STEWART | " |
| BRANDON, MAN. | W. V. GORDON | Manager. |
| BRIERCREST, SASK | J. A. SMITH | " |
| BRODERICK, SASK. | W. S. LONGHURST | " |
| CADOGAN, ALTA | W. W. ORR | " |
| CALGARY, ALTA | { C. G. K. NOURSE | " |
| Do. EAST | E. L. BECK | Asst. Mgr. |
| Do. FIRST ST. WEST | J. A. CLARK | Manager |
| Do. MOUNT ROYAL | H. I. MILLAR | " |
| CANORA, SASK. | L. CUTHBERT | " |
| CARMAN, MAN. | V. M. DUNLEVIE | " |
| CARMANGAY, ALTA. | W. G. HAMILTON | " |
| CENTRAL BUTTE, SASK. | H. K. BAIRD | Act. Mgr. |
| CHAMPION, ALTA. | C. J. KYDD | Manager |
| CLARESHOLM, ALTA. | J. WALKER | " |
| COLEMAN, ALTA. | W. D. LAWSON | " |
| CROSSFIELD, ALTA. | S. H. BRAY | " |
| CUDWORTH, SASK. | KN. JORGENSEN | " |
| DAUPHIN, MAN. | R. M. McCAUL | " |
| DELIA, ALTA. | A. M. STARRATT. | " |
| DELISLE, SASK. | F. A. STUART | " |
| DRINKWATER, SASK. | S. M. JOHNSTON | " |
| ECKVILLE, ALTA. | J. W. McINTOSH | Act. Mgr. |
| EDAM, SASK. | A. R. GRAHAM | Manager |
| EDMONTON, ALTA. | T. M. TURNBULL | " |
| Do. STRATHCONA | R. B. BUCHANAN | " |
| ELBOW, SASK. | M. MACPHERSON | " |
| ELFROS, SASK. | J. H. EAKIN | " |
| ELGIN, MAN. | W. E. D. FARMER | " |
| ELKHORN, MAN | R. H. BROTHERHOOD | " |
| GILBERT PLAINS, MAN. | C. B. NARRAWAY | " |
| GLEICHEN, ALTA. | JAMES CAMERON | " |
| GRANDVIEW, MAN. | A. W. CHAMBERS | " |
| GRANUM, ALTA. | F. W. WEST | " |
| HAFFORD, SASK. | JAMES BLACK | " |
| HANNA, ALTA. | A. F. GARLAND | " |
| HARDISTY, ALTA. | F. E. HAWLEY | " |
| HAWARDEN, SASK. | WM. BULLOCK | " |
| HERBERT, SASK. | C. L. MILES | " |
| HIGH RIVER, ALTA. | W. D. ELLIOT | " |
| HUMBOLDT, SASK. | A. F. McCONKEY | " |
| INNISFAIL, ALTA. | F. J. MACCOUN | " |
| INNISFREE, ALTA. | F. S. BEATTIE | " |
| KAMSACK, SASK. | A. HAMILTON | " |
| KERROBERT, SASK. | GAVIN SHEARER | " |
| KINCAID, SASK. | A. F. McCALLUM | " |
| KINDERSLEY, SASK. | F. H. ADAMSON | " |
| KITSCOTY, ALTA. | E. MASON | Act. Mgr. |
| LAKE SASKATOON, ALTA. | A. W. PENTLAND | Manager |
| LANGHAM, SASK. | J. D. BURPEE | " |
| LASHBURN, SASK. | C. S. FREEMAN | " |

BRANCHES—Continued

| | | |
|----------------------------------|-----------------------------|-----------|
| LETHBRIDGE, ALTA. | R. T. BRYMNER | Manager |
| LLOYDMINSTER, SASK. | H. S. BRUCE | " |
| LOUGHEED, ALTA. | H. R. MAIN | " |
| MACLEOD, ALTA. | K. W. REIKIE | " |
| MANYBERRIES, ALTA. | J. F. BERRY | " |
| MARCELIN, SASK. | K. G. NOURSE | " |
| MEDICINE HAT, ALTA. | W. G. LYNCH | " |
| MELFORT, SASK. | J. T. BEATTIE | " |
| MELVILLE, SASK. | A. W. WHITE | " |
| MILESTONE, SASK. | L. G. CROZIER | " |
| MILK RIVER, ALTA. | A. GORDON | " |
| MONITOR, ALTA. | R. P. THOMPSON | Act. Mgr. |
| MOOSEJAW, SASK. | A. MAYBEE | Manager |
| MOOSOMIN, SASK. | B. L. BROWN | " |
| MORSE, SASK. | C. L. WHITBY | " |
| NANTON, ALTA. | A. L. JENSEN | " |
| NEEPAWA, MAN. | H. L. WETHEY | " |
| NOKOMIS, SASK. | M. St. C. McLEAN | " |
| NORTH BATTLEFORD, SASK. | W. HILBORN | " |
| NUTANA, SASK. | L. E. GRIFFITH | " |
| OLDS, ALTA. | R. N. AYLWARD | " |
| PEACE RIVER, ALTA. | ALLAN MCKENZIE | " |
| PINCHER CREEK, ALTA. | F. L. RHODES | " |
| PONOKA, ALTA. | G. E. CLARKE | " |
| PORTAGE LA PRAIRIE, MAN. | D. H. DOWNIE | " |
| PRINCE ALBERT, SASK. | E. A. FOX | " |
| PROVOST, ALTA. | W. W. ORR | " |
| RADISSON, SASK. | C. PADLEY | " |
| RADVILLE, SASK. | W. M. MCKIE | " |
| RED DEER, ALTA. | F. C. WHITEHOUSE | " |
| REGINA, SASK. | A. W. RIDOUT | " |
| RETLAW, ALTA. | J. F. FRASER | " |
| RIVERHURST, SASK. | F. M. BLACKWOOD | " |
| RIVERS, MAN. | R. M. TUCKER | Act. Mgr. |
| ROCKYFORD, ALTA. | R. ROBERTS | Manager |
| SASKATOON, SASK. | W. P. KIRKPATRICK | " |
| SHAUNAVON, SASK. | WM. KIDD | " |
| SHELLBROOK, SASK. | G. W. SUTHERLAND | " |
| STAVELY, ALTA. | HENRY S. OATS | " |
| STONY PLAIN, ALTA. | C. G. LEWIS | " |
| SWAN RIVER, MAN. | G. H. WINSTANLEY | " |
| SWIFT CURRENT, SASK. | W. J. SAVAGE | " |
| TABER, ALTA. | GEO. E. EWING | " |
| THE PAS, MAN. | G. H. WATSON | " |
| TRAMPING LAKE, SASK. | GAVIN SHEARER | " |
| TRANSCONA, MAN. | R. C. HAYWARD | " |
| TREHERNE, MAN. | R. P. MORRISON | " |
| TUGASKE, SASK. | C. W. COCHLAN | " |
| TURTLEFORD, SASK. | G. M. SHARPE | Act. Mgr. |
| VEGREVILLE, ALTA. | J. C. RIDDELL | Manager |
| VERMILION, ALTA. | A. J. REYNOLDS | " |
| VIRDEN, MAN. | D. M. KYDD | " |
| VONDA, SASK. | G. L. NASH | " |
| VULCAN, ALTA. | M. L. GORDON | " |

BRANCHES—Continued

| | | |
|---------------------|------------------|------------|
| WADENA, SASK. | J. B. SMITH | Manager |
| WARNER, ALTA. | J. H. S. GORDON | " |
| WATROUS, SASK. | H. H. LOWE | " |
| WATSON, SASK. | A. H. MARCON | " |
| WETASKIWIN, ALTA. | R. N. SHAW | " |
| WEYBURN, SASK. | H. J. NEALE | " |
| WILCOX, SASK. | R. W. WINFIELD | " |
| WILLOW BROOK, SASK. | J. R. RICHES | Act. Mgr. |
| WILLOW BUNCH, SASK. | R. G. ADAMS | Manager |
| WINNIPEG, MAN. | C. W. ROWLEY | " |
| Do. ALEXANDER AVE. | GORDON | Asst. Mgr. |
| Do. BLAKE STREET | D. H. GORDON | Manager |
| Do. ELMWOOD | L. W. NEWSOM | Act. Mgr. |
| Do. FORT ROUGE | D. H. TOLMIE | Manager |
| Do. KELVIN STREET | H. O. SHURTLEFF | " |
| Do. NORTH | D. H. TOLMIE | " |
| Do. PORTAGE AVE. | C. F. A. GREGORY | " |
| WISETON, SASK. | G. M. PATTERSON | " |
| YELLOWGRASS, SASK. | W. R. DAVIES | " |
| YORKTON, SASK. | E. G. OGILVIE | " |
| YOUNGSTOWN, ALTA. | C. A. MERCER | " |
| | W. BARRY | " |

SUB-AGENCIES

| | | |
|----------------|---------------|-------------------|
| RICHARD, SASK. | Sub-Agency to | Open for business |
| SPEERS, SASK. | N. Battleford | Wed. and Thur. |
| | Hafford | Wed. and Thur. |

ONTARIO—

| | | |
|--------------|-------------------|---------|
| AYR | C. MURRAY STEWART | Manager |
| BARRIE | L. F. CROSS | " |
| BELLEVILLE | C. M. STORK | " |
| BLENHEIM | O. F. ANDERSON | " |
| BRANTFORD | H. W. FITTON | " |
| BROCKVILLE | W. H. COLLINS | " |
| CAYUGA | J. C. MUNRO | " |
| CHATHAM | J. SIMON | " |
| COBALT | H. G. MATHEWSON | " |
| COLLINGWOOD | J. McE. MURRAY | " |
| CORNWALL | A. E. CURRIE | " |
| CREDITON | J. A. McDONALD | " |
| DRESDEN | C. F. WORRELL | " |
| DUNDAS | R. C. MACPHERSON | " |
| DUNNVILLE | G. E. PARKES | " |
| EMO | A. F. TURNER | " |
| EXETER | A. E. KUHN | " |
| FORD | W. J. McHUGH | " |
| FOREST | W. J. F. ROSS | " |
| FORT FRANCES | A. F. TURNER | " |
| FORT WILLIAM | R. M. SAUNDERS | " |
| GALT | C. E. A. DOWLER | " |
| GODERICH | G. WILLIAMS | " |

BRANCHES—Continued

| | | |
|--------------------------------------|------------------------------|------------|
| GRIMSBY | G. L. WAUGH | Manager |
| GUELPH | J. M. DUFF | " |
| HAMILTON | D. B. DEWAR | " |
| INGERSOLL | W. C. JOHNSTON | " |
| KINGSTON | P. C. STEVENSON | " |
| KITCHENER | G. M. WEDD | " |
| LINDSAY | E. M. LOCKIE | " |
| LONDON | A. D. McLEAN | " |
| Do. HAMILTON ROAD | | |
| MADOC | A. Y. SNIDER | " |
| NIAGARA FALLS | C. BALLARD | " |
| ORANGEVILLE | T. S. LITTLE | " |
| OSHAWA | J. H. DENT | " |
| OTTAWA | M. D. HAMILTON | " |
| Do. BANK STREET | H. A. HOLMES | " |
| Do. BY WARD MARKET | H. A. L'ABBÉ | " |
| PARIS | S. N. MOFFAT | " |
| PARKHILL | D. I. FORBES | " |
| PARRY SOUND | H. C. STRANGE | " |
| PETERBORO | W. H. DUNSFORD | " |
| PORT ARTHUR | A. W. ROBARTS | " |
| PORT COLBORNE | W. H. PAGET | " |
| PORT PERRY | H. J. WHITE | " |
| RAINY RIVER | F. A. CHAPMAN | " |
| ST. CATHARINES | R. G. W. CONOLLY | " |
| Do. PAGE AND QUEENSTON | | |
| ST. THOMAS | W. G. WHITESIDE | " |
| SARNIA | J. L. BUCHAN | " |
| SAULT STE. MARIE | H. C. MORRIS | " |
| Do. WEST END | | |
| SCHUMACHER | J. P. TAILLON | " |
| SEAFORTH | J. G. MULLEN | " |
| SIMCOE | W. C. J. KING | " |
| SMITH'S FALLS | W. C. JAMES | " |
| STRATFORD | R. T. MUSSEN | " |
| STRATHROY | J. WALTON | " |
| SUDBURY | H. DUNCAN | " |
| THEDFORD | J. FULLER | " |
| THOROLD | S. H. FALKNER | " |
| TILLSONBURG | J. H. MORRISON | " |
| TIMMINS | J. P. TAILLON | " |
| TORONTO | D. A. CAMERON | Asst. Mgr. |
| | E. P. GOWER | |
| | G. G. LAIRD | |
| Do. BALMY BEACH | J. S. GREENSHIELDS | Manager |
| Do. BLOOR AND DUFFERIN | J. L. HUBBELL | " |
| Do. BLOOR AND LIPPINCOTT | W. C. T. MORSON | " |
| Do. BLOOR AND YONGE | JAMES BRYDON | " |
| Do. COLLEGE AND DOVERCOURT | E. C. PRINGLE | " |
| Do. DANFORTH AND BROADVIEW | E. R. JARVIS | " |
| Do. EARLSCOURT | C. E. JOHNSON | " |
| Do. GERRARD AND PAPE | N. ST. B. YOUNG | " |
| Do. MARKET | T. A. CHISHOLM | Asst. Mgr. |
| | J. V. R. PORTEBOUS | |

BRANCHES—Continued

| | | |
|-----------------------------------|------------------------------|---------|
| TORONTO, PARKDALE | W. A. COOKE | Manager |
| Do. PARLIAMENT STREET | A. H. CREASE | " |
| Do. QUEEN AND BATHURST | H. POLSON | " |
| Do. QUEEN EAST | D. DAVIES | " |
| Do. SPADINA AND COLLEGE | H. F. D. SEWELL | " |
| Do. WEST TORONTO | J. B. MCCUAIG | " |
| Do. WYCHWOOD | G. B. MUNRO | " |
| Do. YONGE AND COLLEGE | G. C. T. PEMBERTON | " |
| Do. YONGE AND QUEEN | R. W. H. KING | " |
| WALKERTON | H. M. LAY | " |
| WALKERVILLE | H. B. PARSONS | " |
| WATERLOO | R. H. EDMONDS | " |
| WIARTON | A. E. JACKSON | " |
| WINDSOR | A. E. TAYLER | " |
| WINGHAM | REG. S. WILLIAMS | " |
| WOODSTOCK | G. A. HOLLAND | " |

SUB-AGENCIES

| | Sub-Agency to | Open for business |
|---------------------|-------------------|-----------------------------|
| BELGRAVE | Wingham | Tues., Thur. and Sat. |
| CAMLACHIE | Forest | Tues. and Thur., 10 to 2 |

QUEBEC—

| | | |
|-----------------------------|-------------------------------|-----------|
| ACTON VALE | A. L. DESSERT | Manager |
| ASBESTOS | J. LEMAY | Act. Mgr. |
| AYER'S CLIFF | F. A. JOHNSTON | Manager |
| BEDFORD | A. S. MCCAW | " |
| BEEBE | H. G. KIRWIN | " |
| BELOEIL | A. M. BRODEUR | " |
| BISHOP'S CROSSING | H. H. MOE | Act. Mgr. |
| CLARENCEVILLE | F. L. NUNNS | Manager |
| COATICOOK | } L. M. THOMAS | " |
| COMPTON | | |
| COOKSHIRE | W. E. LEARNED | " |
| COWANSVILLE | F. E. KERRIDGE | " |
| DANVILLE | L. P. BISHOP | " |
| DRUMMONDVILLE | E. R. TANNER | " |
| DUNHAM | D. CARLETON | Act. Mgr. |
| EAST ANGUS | D. H. PARMELEE | Manager |
| EASTMAN | CY. COUET | Act. Mgr. |
| FARNHAM | ARTHUR GUAY | Manager |
| FRELIGHSBURG | M. R. WHITCOMB | " |
| GRANBY | A. C. SMITH | " |
| HEMMINGFORD | P. H. M. SOMERVILLE | " |
| HOWICK | A. B. ASTLE | " |
| HUNTINGDON | C. W. THOMAS | " |
| JOLIETTE | H. E. TEMPLE | " |
| KNOWLTON | F. A. MORGAN | " |
| LACOLLE | E. A. CHADSEY | " |
| LENNOXVILLE | L. G. T. LYNCH | " |
| MAGOG | H. A. C. SCARTH | " |
| MANSONVILLE | K. R. TURNER | " |

BRANCHES—Continued

| | | |
|-------------------------------|-----------------------|------------|
| MARBLETON | W. E. HETHERINGTON . | Manager |
| MARIEVILLE | J. C. R. MARCHAND . | " |
| MEGANTIC | G. M. THOMPSON . . | " |
| MONTREAL | { H. B. WALKER . . . | " |
| | { F. M. GIBSON . . . | Asst. Mgr. |
| Do. CRESCENT & ST. CATHERINE | M. A. MACFARLANE . | Manager |
| Do. MAISONNEUVE | E. H. CARTER . . . | " |
| Do. PRINCE ARTHUR AND PARK | A. C. TURNER . . . | " |
| Do. ST. CATHERINE & CITY HALL | W. E. MOREHOUSE . | " |
| Do. ST. CATHERINE AND MET- | | |
| CALFE | D. McLENNAN . . . | " |
| NORTH HATLEY | A. R. VIRGIN . . . | " |
| ORMSTOWN | N. H. SLACK . . . | " |
| POINTE AUX TREMBLES | S. A. FORBES . . . | " |
| QUEBEC | J. MACLOUGHLIN . | " |
| Do. UPPER TOWN | G. L. DOAK . . . | " |
| RICHMOND | A. S. RAIMBACH . . | " |
| RIMOUSKI | W. CLOUTIER . . . | " |
| ROCK ISLAND | J. M. O'HALLORAN . | " |
| ROXTON FALLS | J. M. RENÉ DE COTRÉT. | " |
| ST. CHRYSOSTOME | C. W. HAWLEY . . . | " |
| ST. FELIX DE VALOIS | J. A. PARENT . . . | " |
| ST. FERDINAND D'HALIFAX . . . | A. E. WARD . . . | " |
| ST. GABRIEL DE BRANDON . . . | J. R. BOIVIN . . . | " |
| ST. GEORGE, BEAUCE | J. A. ROY . . . | " |
| ST. HYACINTHE | J. LAFRAMBOISE . | " |
| ST. JOHNS | G. C. BORIGHT . . . | " |
| ST. JOSEPH DE BEAUCE | E. DUMOULIN . . . | " |
| SCOTSTOWN | C. E. SOLES . . . | " |
| SHERBROOKE | { E. W. FARWELL . . . | " |
| | { A. P. TAYLOR . . . | Asst. Mgr. |
| Do. UPPERTOWN | N. F. DINNING . . . | Manager |
| Do. WELLINGTON STREET . . . | F. A. BRIGGS . . . | " |
| STANBRIDGE EAST | G. D. HARVEY . . . | " |
| SUTTON | T. W. JUDD . . . | " |
| THETFORD MINES | J. H. DOAK . . . | " |
| THREE RIVERS | E. W. MORGAN . . . | " |
| VALCOURT | L. P. BOURGOING . | " |
| WATERLOO | J. E. THOMPSON . . | " |
| WATERVILLE | C. A. TUCKER . . . | " |
| WEEDON | C. L. LA BONTÉ . . . | " |
| WEST SHEFFORD | H. E. GREEN . . . | " |
| WINDSOR | J. I. McCABE . . . | " |

SUB-AGENCIES

| | Sub-Agency to | Open for business |
|-----------------------|--------------------|-------------------|
| BROME | Knowlton . . . | Tues. and Fri. |
| CHAMBLY | Marieville . . . | Daily |
| DIXVILLE | Coaticook . . . | Tues. and Friday |
| EAST HATLEY | Ayer's Cliff . . . | Tues., 10 to 12 |
| GLEN SUTTON | Mansonville . . | Wednesday |

BRANCHES—Continued

| | | |
|-------------------------------|-----------------------|--------------------------|
| IBERVILLE | St. Johns | Daily |
| PHILIPSBURG | Bedford.. | Mon. and Thur., 2 to 4 |
| ST. ARMAND STATION | Bedford. | Mon. and Thur., 10 to 12 |
| STANSTEAD | Rock Island | Daily |
| THETFORD MINES WEST | Thetford Mines | Daily |

MARITIME PROVINCES—

| | | |
|-------------------------------|----------------------------|---------|
| ALBERTON, P.E.I. | W. C. LAWSON | Manager |
| AMHERST, N.S. | W. H. LUGSDIN | " |
| ANTIGONISH, N.S. | W. H. HARRISON | " |
| BARRINGTON, N.S. | F. W. HOMER | " |
| BRIDGEWATER, N.S. | T. W. MAGEE | " |
| CAMPBELLTON, N.B. | J. L. CLAXTON | " |
| CHARLOTTETOWN, P.E.I. | G. W. HARRISON | " |
| FREDERICTON, N.B. | W. T. GERALD | " |
| HALIFAX, N.S. | D. MACGILLIVRAY | " |
| LA HAVE, N.S. | T. W. MAGEE | " |
| MIDDLETON, N.S. | C. N. ROOP | " |
| MONCTON, N.B.. | W. T. WHITE | " |
| MONTAGUE, P.E.I. | L. H. COFFIN | " |
| NEW GLASGOW, N.S. | B. DE VEBER | " |
| PARRSBORO, N.S. | J. R. HARRISON | " |
| ST. JOHN, N.B. | J. M. CHRISTIE | " |
| SHELBURNE, N.S. | E. B. WALKER | " |
| SOURIS, P.E.I. | E. P. STAVERT | " |
| SPRINGHILL, N.S. | J. H. ROBERTSON | " |
| SUMMERSIDE, P.E.I. | C. HENSLEY | " |
| SYDNEY, N.S. | J. H. McQUAID | " |
| TRURO, N.S. | C. W. MONTGOMERY | " |
| WINDSOR, N.S. | J. A. RUSSELL | " |

SUB-AGENCIES

| | Sub-Agency to | Open for business |
|-----------------------------|---------------------|---------------------|
| HANTSPORT, N.S. | Windsor | Mon., Wed. and Fri. |
| PORT GREVILLE, N.S. | Parrsboro | Tues and Fri. |

NEWFOUNDLAND—

| | | |
|----------------------|-------------------------|---------|
| ST. JOHN'S | H. M. STEWART | Manager |
|----------------------|-------------------------|---------|

UNITED STATES—

| | | |
|-----------------------------|--|--------------|
| NEW YORK, N.Y. | { F. B. FRANCIS J. A. C. KEMP C. J. STEPHENSON } | { Agents |
| PORTLAND, ORE. | F. C. MALPAS | Manager |
| SAN FRANCISCO, CAL. | { G. W. B. HEATHCOTE A. A. WILSON } | { Asst. Mgr. |
| SEATTLE, WASH. | E. B. IRELAND | Manager |

GREAT BRITAIN—

| | | |
|----------------------------------|--|------------|
| LONDON, 2 Lombard Street, E.C. 3 | | |
| C. CAMBIE | | Manager |
| A. R. PHIPPS | | Asst. Mgr. |

MEXICO—

| | | |
|---|--|---------|
| MEXICO CITY, Avenida San Francisco No. 50 | | |
| D. MUTHEAD | | Manager |

THE CANADIAN BANK OF COMMERCE

[For the convenience of Shareholders on the London Register, the
Profit and Loss Account and the Balance Sheet are here
given in Sterling, at the par of Exchange.]

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDING 30TH NOVEMBER, 1917.

| | | | |
|--|----------|----|----|
| Balance at credit of Profit and Loss Account brought forward from last year..... | £164,860 | 1 | 9 |
| Net profits for the year ending 30th November, after providing for all bad and doubtful debts..... | 541,963 | 8 | 11 |
| | £706,823 | 10 | 8 |

This has been appropriated as follows:

| | | | |
|---|----------|----|---|
| Dividends Nos. 120, 121, 122 and 123, at ten per cent. per annum..... | £308,219 | 3 | 7 |
| Bonus of one per cent., payable 1st June..... | 30,821 | 18 | 4 |
| Bonus of one per cent., payable 1st December.... | 30,821 | 18 | 4 |
| War tax on bank-note circulation to 30th November | 30,821 | 18 | 4 |
| Transferred to Pension Fund..... | 17,465 | 15 | 1 |

Subscriptions:

| | | | |
|---|----------|----|----|
| Canadian Patriotic Fund..... | £10,273 | 19 | 6 |
| British Red Cross Fund..... | 1,541 | 1 | 11 |
| British Sailors' Relief Fund (Canada)..... | 1,027 | 7 | 11 |
| Sundry subscriptions..... | 2,116 | 8 | 9 |
| | 14,958 | 18 | 1 |
| Balance carried forward..... | 273,713 | 18 | 11 |
| | £706,823 | 10 | 8 |

GENERAL STATEMENT

30TH NOVEMBER, 1917

LIABILITIES

| | | | | |
|--|------------|-------------|----|----|
| Notes of the Bank in circulation..... | | £4,930,529 | 14 | 7 |
| Deposits not bearing interest. £17,765,425 | 5 | 7 | | |
| Deposits bearing interest, including interest accrued to date..... | 39,034,366 | 14 | 6 | |
| | | 56,799,792 | 0 | 1 |
| Balances due to other Banks in Canada..... | | 119,374 | 18 | 8 |
| Balances due to Banks and Banking Correspondents elsewhere than in Canada..... | | 1,498,995 | 5 | 9 |
| Bills Payable..... | | 24,833 | 13 | 10 |
| Acceptances under Letters of Credit..... | | 1,150,205 | 3 | 3 |
| | | £64,523,730 | 16 | 2 |
| Dividends Unpaid..... | | 548 | 5 | 2 |
| Dividend No. 123 and bonus, payable 1st December..... | | 107,876 | 14 | 3 |
| Capital Paid up..... £3,082,191 | 15 | 8 | | |
| Rest Account..... | 2,773,972 | 12 | 1 | |
| Balance of Profits as per Profit and Loss Account..... | 273,713 | 18 | 11 | |
| | | 6,129,878 | 6 | 8 |
| | | £70,762,034 | 2 | 3 |

ASSETS

| | | | | |
|---|------------|-------------|----|----|
| Gold and Silver Coin Current | £4,663,836 | 7 | 3 | |
| Dominion Notes..... | 4,511,282 | 18 | 7 | |
| Deposit in the Central Gold Reserves..... | 2,054,794 | 10 | 5 | |
| | | £11,229,913 | 16 | 3 |
| Notes of other Banks..... £ | 411,937 | 7 | 11 | |
| Cheques on other Banks..... | 2,451,549 | 14 | 0 | |
| Balances due by Banks and Banking Correspondents elsewhere than in Canada.. | 1,745,774 | 15 | 11 | |
| | | 4,609,261 | 17 | 10 |
| Dominion and Provincial Government Securities, not exceeding market value..... | | 5,670,497 | 6 | 1 |
| British, Foreign and Colonial Public Securities and Canadian Municipal Securities..... | | 4,540,095 | 17 | 8 |
| Railway and other Bonds, Debentures and Stocks, not exceeding market value..... | | 1,272,423 | 12 | 4 |
| Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks..... | | 2,765,930 | 13 | 6 |
| Call and Short Loans (not exceeding 30 days), elsewhere than in Canada..... | | 4,125,391 | 1 | 3 |
| Deposit with the Minister of Finance for the purposes of the Circulation Fund..... | | 170,789 | 0 | 10 |
| Carried forward..... | | £34,384,303 | 5 | 9 |

GENERAL STATEMENT

30TH NOVEMBER, 1917

ASSETS—Continued

| | | | |
|---|-------------|----|----|
| Brought forward..... | £34,384,303 | 5 | 9 |
| Other Current Loans and Discounts in Canada (less rebate of interest)..... | 30,785,348 | 6 | 3 |
| Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)..... | 3,050,574 | 15 | 6 |
| Liabilities of Customers under Letters of Credit, as per contra..... | 1,150,205 | 3 | 4 |
| Overdue Debts (estimated loss provided for)..... | 48,862 | 5 | 6 |
| Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank)..... | £ 254,177 | 19 | 8 |
| Less mortgage assumed... | 20,547 | 18 | 11 |
| | 233,630 | 0 | 9 |
| Mortgages on Real Estate sold by the Bank..... | 40,275 | 3 | 4 |
| Bank Premises at cost, less amounts written off..... | £1,107,549 | 14 | 11 |
| Less mortgage assumed on property purchased... | 61,643 | 16 | 9 |
| | 1,045,905 | 18 | 2 |
| Other Assets not included in the foregoing..... | 22,929 | 3 | 8 |
| | £70,762,034 | 2 | 3 |

B. E. WALKER,
President.

JOHN AIRD,
General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE

In accordance with the provisions of subsections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November, 1917, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

| | |
|--|------------|
| T. HARRY WEBB, C.A. | } AUDITORS |
| of Webb, Read, Hegan, Callingham & Co. | |
| JAMES MARWICK, C.A. | |
| of Marwick, Mitchell, Peat & Co. | |

GENERAL STATEMENT

30TH NOVEMBER, 1917

LIABILITIES

| | | |
|--|------------------|-------------------------|
| Notes of the Bank in Circulation..... | | \$ 23,995,244 68 |
| Deposits not bearing interest..... | \$ 86,458,403 02 | |
| Deposits bearing interest, including interest accrued to date.... | 189,967,251 39 | |
| | | <hr/> |
| | | 276,425,654 41 |
| Balances due to other Banks in Canada..... | | 580,958 01 |
| Balances due to Banks and Banking Correspondents elsewhere than in Canada..... | | 7,295,110 40 |
| Bills Payable..... | | 120,857 29 |
| Acceptances under Letters of Credit..... | | 5,597,665 13 |
| | | <hr/> |
| | | \$314,015,489 92 |
| Dividends Unpaid..... | | 2,668 20 |
| Dividend No. 123 and bonus, payable 1st December | | 525,000 00 |
| Capital Paid up..... | \$ 15,000,000 00 | |
| Rest Account..... | 13,500,000 00 | |
| Balance of Profits as per Profit and Loss Account..... | 1,332,074 52 | |
| | | <hr/> |
| | | 29,832,074 52 |
| | | <hr/> |
| | | <u>\$344,375,232 64</u> |

ASSETS

| | | |
|---|------------------|------------------|
| Gold and Silver Coin Current.... | \$ 22,697,336 96 | |
| Dominion Notes..... | 21,954,910 25 | |
| Deposit in the Central Gold Reserves..... | 10,000,000 00 | |
| | | <hr/> |
| | | \$ 54,652,247 21 |
| Notes of other Banks..... | \$ 2,004,762 00 | |
| Cheques on other Banks..... | 11,930,875 21 | |
| Balances due by Banks and Banking Correspondents elsewhere than in Canada..... | 8,496,103 99 | |
| | | <hr/> |
| | | 22,431,741 20 |
| Dominion and Provincial Government Securities, not exceeding market value..... | | 27,596,420 22 |
| British, Foreign and Colonial Public Securities and Canadian Municipal Securities..... | | 22,095,133 29 |
| Railway and other Bonds, Debentures and Stocks, not exceeding market value..... | | 6,192,461 60 |
| Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks..... | | 13,460,862 62 |
| Call and Short Loans (not exceeding 30 days) elsewhere than in Canada..... | | 20,076,903 18 |
| Deposit with the Minister of Finance for the purposes of the Circulation Fund..... | | 831,173 35 |
| | | <hr/> |
| Carried forward..... | | \$167,336,942 67 |

GENERAL STATEMENT

30TH NOVEMBER, 1917

ASSETS—Continued

| | | | |
|---|----|----------------------|-----------|
| Brought forward..... | | \$167,336,942 | 67 |
| Other Current Loans and Discounts in Canada (less rebate of interest)..... | | 149,822,028 | 44 |
| Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)..... | | 14,846,130 | 56 |
| Liabilities of Customers under Letters of Credit, as per contra..... | | 5,597,665 | 13 |
| Overdue Debts (estimated loss provided for)..... | | 237,796 | 39 |
| Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank)... | \$ | 1,236,999 | 52 |
| Less mortgage assumed..... | | 100,000 | 00 |
| | | 1,136,999 | 52 |
| Mortgages on Real Estate sold by the Bank..... | | 196,005 | 81 |
| Bank Premises at cost, less amounts written off..... | \$ | 5,390,075 | 44 |
| Less mortgage assumed on property purchased..... | | 300,000 | 00 |
| | | 5,090,075 | 44 |
| Other Assets not included in the foregoing..... | | 111,588 | 68 |
| | | <u>\$344,375,232</u> | <u>64</u> |

B. E. WALKER,
President.

JOHN AIRD,
General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE

In accordance with the provisions of subsections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November, 1917, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

| | |
|---|------------|
| T. HARRY WEBB, C.A. of Webb, Read, Hegan, Callingham & Co. | } AUDITORS |
| JAMES MARWICK, C.A. of Marwick, Mitchell, Peat & Co. | |

BANKERS AND CHIEF CORRESPONDENTS

GREAT BRITAIN—

Bank of England; Bank of Scotland; Barclays Bank, Ltd.; Lloyds Bank Limited; London & South Western Bank, Ltd.; Union of London & Smith's Bank, Ltd.; Capital & Counties Bank, Ltd.; Manchester & Liverpool District Banking Company, Ltd.; Manchester & County Bank, Ltd.; Union Bank of Manchester, Ltd.; West Yorkshire Bank, Ltd.; North of Scotland & Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.

IRELAND—

Belfast Banking Company, Ltd.; Hibernian Bank, Ltd.; Northern Banking Company, Ltd.; Provincial Bank of Ireland, Ltd.

DENMARK—

Den Danske Landmandsbank, Copenhagen.

FRANCE—

Cox & Company (France), Ltd.; Crédit Lyonnais, Paris; Lazard Frères & Cie, Paris; Société Générale, Paris; Lloyds Bank (France), and National Provincial Bank (France), Ltd., Paris.

HOLLAND—

Disconto-Maatschappij, Rotterdam; Twentsche Bank, Ltd.

ITALY—

Banca Commerciale Italiana, Naples; Credito Italiano, Milan.

NORWAY—

Centralbanken for Norge, Christiania; Bergens Privatbank, Bergen.

SWEDEN—

Skandinaviska Kreditaktiebolaget, Stockholm.

SWITZERLAND—

Banque Fédérale, Zurich; Crédit Suisse, Zurich; Swiss Bankverein, Zurich.

WEST INDIES—

Colonial Bank and branches; National Bank of Cuba, Havana, and branches.

BERMUDA—

Bank of Bermuda, Ltd., Hamilton.

SOUTH AMERICA—

Anglo-South American Bank, Ltd.; British Bank of South America, Ltd.; London & Brazilian Bank, Ltd.; London & River Plate Bank, Ltd.

INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—

Chartered Bank of India, Australia and China; Hongkong & Shanghai Banking Corporation; National Bank of India, Ltd.; Yokohama Specie Bank, Ltd.

SOUTH AFRICA—

African Banking Corporation, Ltd.; National Bank of South Africa, Ltd.; Standard Bank of South Africa, Ltd.

AUSTRALIA AND NEW ZEALAND—

Australian Bank of Commerce, Ltd.; Bank of Australasia; Bank of New Zealand; Colonial Bank of Australasia, Ltd.; Commercial Banking Company of Sydney, Ltd.; Commonwealth Bank of Australia; English, Scottish & Australian Bank, Ltd.; London Bank of Australia, Ltd.; National Bank of Australasia, Ltd.; National Bank of New Zealand, Ltd.; Royal Bank of Australia, Ltd.; Union Bank of Australia, Ltd.

HONOLULU—

Bishop & Company; First National Bank of Hawaii.

FIJI—

Bank of New Zealand.

UNITED STATES—

NEW YORK—American Exchange National Bank; Chase National Bank; Irving National Bank; Corn Exchange Bank; National City Bank; Mechanics & Metals National Bank.

CHICAGO—First National Bank; Northern Trust Company; National Bank of the Republic; National City Bank.

ALBANY—New York State National Bank.

BALTIMORE—Citizens National Bank.

BOSTON—Second National Bank; National Shawmut Bank; First National Bank; International Trust Company.

BUFFALO—Manufacturers & Traders National Bank; Citizens Commercial Trust Company.

CLEVELAND—First National Bank.

DETROIT—First & Old Detroit National Bank.

MILWAUKEE—Wisconsin National Bank.

MINNEAPOLIS—First & Security National Bank; Scandinavian American National Bank; Northwestern National Bank.

NEW ORLEANS—Commercial National Bank.

PHILADELPHIA—Girard National Bank.

PITTSBURG—Mellon National Bank.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 8TH JANUARY, 1918

The fifty-first Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 8th January, 1918, at 12 o'clock.

Among those present were:

Thomas Findley, H. W. Bernson, Sir Robert Falconer, F. O. Mitchell, S. Samuel, F. W. Evans, W. J. Evans, George A. Bingham, M.D., F. H. Gooch, W. N. West, E. M. Saunders, W. B. Meikle, T. E. Robertson, H. C. Cox, Sir William Mackenzie, G. A. Morrow, F. A. Moure, L. W. Mitchell, J. L. Watt, Hon. F. H. Phippen, K.C., Joseph Wright, E. B. Ryckman, Lieut.-Colonel J. F. Michie, G. Murray Clark, J. C. Breckenridge, W. H. Hiller, Gordon C. Edwards, J. E. Murphy, Albert Nordheimer, Rev. George A. Somerville, W. S. Hodgins, J. Western, Lewis Lukes, R. G. O. Thomson, Avern Pardoe, Jr., E. G. Staunton, J. K. MacDonald, Rev. John B. Saer, R. Millichamp, William Craig, W. H. Lockhart Gordon, Edwin Roach, H. H. Fudger, E. B. Thompson, J. G. Scott, S. R. Wickett, Frank Everist, W. H. Leishman, A. E. Ferrie, T. C. Irving, R. C. Jennings, C. N. Candee, A. J. Helliwell, A. H. Campbell, Thomas Gilmour, Alexander Bruce, K.C., John T. Parker, James E. Baillie, James H. Carrique, Dr. John Hoskin, Harry T. Crowe, Charles B. Powell,

George Murray, William Crocker, Mark Sparkhall, George B. Woods, H. H. Trigge, C. H. Easson, C. Bogert, J. B. McKechnie, F. C. L. Jones, Rev. C. J. James, M.A., Edward Hay, Z. A. Lash, K.C., Sir John Willison, W. A. M. Jones, William Davidson, K.C., F. A. Emery, William Davies, Dr. R. N. Bateman, G. H. Muirhead, A. McT. Campbell; William Cook, Richmond Hill; J. G. Borland, Clairmont; A. C. Flumerfelt, Victoria; W. H. Collins, Brockville; Hon. W. C. Edwards, Ottawa; G. W. Allan, K.C., M.P., Winnipeg; H. J. Fuller, New York; Prof. C. W. Colby, New York; James Richardson, Kingston; Sir John Morison Gibson, Hamilton; A. Y. Snider, Madoc; Addison K. Walker, Medicine Hat; William Toole, Calgary; James Whicher, Caledonia; A. D. Miles, Copper Cliff; C. M. Gripton, Niagara-on-the-Lake; E. L. Beck, Calgary; A. E. Currie, Cornwall; R. H. Edmunds, Waterloo, Ont.; F. B. Francis, New York; M. D. Hamilton, Ottawa; W. C. James, Smith's Falls; H. G. Mathewson, Cobalt; M. A. Macfarlane, Montreal; J. G. Mullen, Seaforth; H. B. Parsons, Walkerville; A. E. Tayler, Windsor, Ont.; G. L. Waugh, Grimsby; A. H. O'Halloran, Rock Island; R. S. Williams, Wingham; H. W. Fitton, Brantford; D. Macgillivray, Halifax; E. W. Morgan, Three Rivers; G. W. Harrison, Charlottetown; B. P. Alley, Winnipeg; W. Hastie, Winnipeg; R. T. Brymner, Lethbridge; J. Cameron, Gleichen; W. V. Gordon, Brandon; W. G. Lynch, Medicine Hat; M. MacPherson, Elbow; A. F. McConkey, Humboldt; A. W. Ridout, Regina; R. N. Aylward, Olds; G. A. Bonnallie, Fernie; A. C. Steven, Vancouver; G. W. B. Heathcote, San Francisco; J. MacLoughlin, Quebec; F. A. Morgan, Knowlton.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. W. S. Hodgens and E. M. Saunders were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT

The Directors have pleasure in submitting to the Shareholders the fifty-first Annual Report for the twelve months ending 30th November, 1917, together with the usual statement of Assets and Liabilities:

The balance at credit of Profit and Loss

| | |
|---|---------------|
| Account brought forward from last year, was..... | \$ 802,319 09 |
|---|---------------|

The net profits for the year ending 30th

| | |
|---|--------------|
| November, after providing for all bad and doubtful debts, amounted to..... | 2,637,555 43 |
|---|--------------|

| | |
|--|----------------|
| | \$3,439,874 52 |
|--|----------------|

This has been appropriated as follows:

| | |
|--|----------------|
| Dividends Nos. 120, 121, 122 and 123, at ten per cent. per annum..... | \$1,500,000 00 |
|--|----------------|

| | |
|---|------------|
| Bonus of one per cent. payable 1st June..... | 150,000 00 |
|---|------------|

| | |
|---|------------|
| Bonus of one per cent. payable 1st December..... | 150,000 00 |
|---|------------|

| | |
|---|------------|
| War tax on bank-note circulation to 30th November..... | 150,000 00 |
|---|------------|

| | |
|----------------------------------|-----------|
| Transferred to Pension Fund..... | 85,000 00 |
|----------------------------------|-----------|

Subscriptions:

| | |
|----------------------------|-------------|
| Canadian Patriotic Fund... | \$50,000 00 |
|----------------------------|-------------|

| | |
|----------------------------|----------|
| British Red Cross Fund.... | 7,500 00 |
|----------------------------|----------|

| | |
|---|----------|
| British Sailors' Relief Fund (Canada)..... | 5,000 00 |
|---|----------|

| | |
|---------------------------|-----------|
| Sundry subscriptions..... | 10,300 00 |
|---------------------------|-----------|

| | |
|--|-----------|
| | 72,800 00 |
|--|-----------|

| | |
|------------------------------|--------------|
| Balance carried forward..... | 1,332,074 52 |
|------------------------------|--------------|

| | |
|--|----------------|
| | \$3,439,874 52 |
|--|----------------|

A most careful revaluation of all the assets of the Bank has been made and every item which might be considered as bad or doubtful has been amply provided for.

During the year the following branches have been opened: in *Alberta*—Cadogan and Eckville; in *Saskatchewan*—Tramping Lake and Willow Brook; in *Ontario*—Hamilton Road, London; By Ward Market, Ottawa, and Balmy Beach, Toronto; in *Nova Scotia*—La Have. Sub-agencies have been opened at Cobble Hill, B.C., Richard, Sask., and Port Greville, N.S. The sub-agencies at Birch Hills, Sask., and Schumacher, Ont., are now being operated as branches. The following branches have been closed: in *Alberta*—Athabasca; and in *Saskatchewan*—Lanigan and Lewvan. The sub-agency at Bic, P.Q., has also been closed.

As indicated in the Profit and Loss account submitted herewith, your Directors have, during the year, subscribed \$50,000 to the Canadian Patriotic Fund, \$7,500 to the British Red Cross Fund, \$5,000 to the British Sailors' Relief Fund (Canada) and smaller sums, amounting in all to \$10,300, to various other organizations of a patriotic character.

Your Directors record with deep regret the death, during the year, of one of their number, the late Hon. Sir Lyman Melvin Jones. He joined this Board in January, 1902, and during the fifteen years of his connection with it had proved himself an able and valued counsellor. His place was filled by the election of Mr. Charles N. Candee.

The auditors appointed at the last annual meeting, under section 56 of the Bank Act, have made the audit required of them and their report is appended to the statement submitted to you to-day. In addition, the offices of the Bank in Canada, the United States, Great

Britain, Newfoundland and Mexico, and the departments of the Head Office, have undergone the usual inspection by the officers of our own Inspection Department.

The Directors once again have pleasure in testifying to the ability and zeal with which the officers of the Bank have discharged the duties allotted to them.

JOHN AIRD,
General Manager.

B. E. WALKER,
President.

TORONTO, 28th December, 1917.

Before moving the adoption of the Report, the President called on the General Manager to address the shareholders:

GENERAL MANAGER'S ADDRESS

We are crossing the meridian into the second half-century of the Bank's existence and, pausing to look back, we may well feel satisfaction in what has been accomplished in a comparatively short period of time. While we hold second place only among the Canadian banks in the matter of "Total Assets," we may point to our premier position as regards "Current Loans and Discounts in Canada" as an indication of the importance of the share taken by this Bank in the task of providing for the financial requirements of the mercantile community, and of carrying on the daily business of the country. In this connection it is interesting to note that by the year 1912 the current loans and discounts in Canada of this Bank were three times as great as those of all the Canadian banks in the year in which it was founded. We had hoped on this anniversary to announce the increase of the Rest to an amount equal to the paid-up capital of the Bank, and this doubtless would have been accomplished had it not been for the war. We have deemed it wise to follow

a specially cautious and conservative policy and to provide during the war even more thoroughly than usual for any element of doubt in the loans and securities of the Bank. The increasingly keen competition in business has resulted in the banks being called upon to perform far greater services for smaller remuneration, so that the increase in the volume of their business is out of proportion to the increase in their profits. Naturally an increased volume of business means a corresponding increase in the provision to be made for doubtful items, while the profits do not provide in a corresponding measure for the relative appropriations. Whenever there is offered a new issue of government securities yielding a higher rate of interest, the market for existing securities is depressed to a corresponding extent and this entails a writing down of all securities on hand. Doubtless when the war is over this downward movement will cease and securities will tend to appreciate in value, so that much of this may be recovered.

To mark the semi-centennial anniversary of the founding of the Bank it is our intention to publish its history. In the course of a comparatively short career it has taken over several much older institutions, which were among the pioneers of Canadian banking in their respective districts. For this reason in more than one province its roots go back to the beginning of banking in this country and the task calls for more research than would at first appear to be involved. In addition we have in course of preparation a new series of bank-notes, which are, we believe, in originality and beauty of design, a marked advance over those at present in circulation. We have had the designs copyrighted in Canada, the United Kingdom and the United States, and they will be our own exclusive property. The work of engraving the plates is a slow and tedious process and some of the notes will not be completed for several years, but we hope to put

the smaller denominations into circulation during the current year.

The profits for the year amounted to \$2,637,555, an increase of \$198,000 over the figures of the previous year but, as we have already pointed out, an increase not at all commensurate with the additional business transacted or the additional responsibility involved. Large advances have been made from time to time to both the Dominion and the Imperial Governments, and these naturally bear low rates of interest. This may be considered as part of our contribution to the cost of the war.

We have continued the payment of the usual dividend of ten per cent. per annum with a bonus of one per cent. at the end of each half year. The annual contribution to the Pension Fund shows an increase of \$5,000, owing to the larger number of members of the staff who come within its provisions. We have again been called upon for subscriptions for various patriotic purposes, for which your approval is asked. The war tax on note circulation has this year reached its maximum, and after providing for these items, we carry forward the large sum of \$1,332,000 at the credit of Profit and Loss account.

There is again a large increase, amounting to \$4,735,000, in the item of notes of the bank in circulation, nearly double the increase reported last year. As pointed out at the last annual meeting, the principal reasons for the high level of the note circulation are twofold: first, the high level of all prices, and second, the great business activity caused by the large orders for merchandise and munitions placed in Canada by the Allied Governments. A few years ago it would have been considered most extraordinary that the total note circulation of all the banks should be throughout the year in excess of the total of their paid-up capital. The course of events has thus fully vindicated the foresight of those who devised the provisions of the Bank Act under which the Central Gold Reserves were established, as

otherwise there would be to-day no regular statutory provision for the additional bank-note currency needed to carry on the business of the country.

The deposits now amount to the very large sum of \$276,000,000, an increase during the year of \$46,529,000. When it is recalled that not until 1901, thirty-four years after the Bank's establishment, did the total deposits equal the amount of this increase, and then only after the taking over of the Bank of British Columbia, the extent of the increase and of the difference in scale in Canadian affairs will be better grasped. We estimate the total turnover of the Bank for the year at 20 thousand million dollars. Needless to say, with the decrease in our trained staff caused by military enlistment, the problem of caring for this vast amount of business does not grow less difficult. The increases in other items of the liabilities do not call for special remark, as they are merely the result of the growth of our business.

Turning to the assets side of the Balance Sheet, we find an increase in our holdings of cash of \$8,361,000, of which \$1,722,000 is in gold and silver coin, \$2,639,000 in Dominion notes and \$4,000,000 in our deposit in the Central Gold Reserves. The last item has already been dealt with. Our cash holdings represent 18.19 per cent. of our deposits and circulation and 17.4 per cent. of our liabilities to the public, from which you will see that we have not deviated from our policy of carrying strong cash reserves in these times of difficulty and uncertainty. The large increases in our holdings of Dominion and Provincial Government Securities and of British, Foreign and Colonial Public Securities consist principally of Treasury bills of the Dominion and the Imperial Governments. We have continued, as opportunity offered, to realize on our holdings of other securities and these show a reduction of \$1,618,000. Immediately available assets have increased by \$37,995,000 and now stand at 53.2 per

cent. of liabilities to the public. Call Loans are slightly lower than last year, but Current Loans in Canada have increased by \$16,083,000, the net increase in the total of our current loans being \$12,097,000. Bank Premises show an increase of \$250,618; this is largely accounted for by the purchase of the premises in Calgary which we have occupied for many years, and have now acquired at what seems to be a reasonable figure. Total Assets have increased by \$55,947,000 or 19.39 per cent.

In Mexico we continue the policy indicated in our reports of the last few years, of transacting only such limited business as the prevailing conditions will permit. While these have shown some improvement during the year, the present Government has many serious problems to solve, and we fear that some time must elapse before we can reap the benefit which our standing in the community and strong local connections justify us in expecting.

Since the report of our Halifax Manager appearing in the Review of Business Conditions was written, the whole country has been appalled by the calamity which laid a large section of the city of Halifax in ruins and cost the lives of so many innocent victims. The damage to property and to shipping proves apparently to be even heavier than was at first anticipated, though from the latest reports we are pleased to learn that the financial position of our customers has not been seriously affected. Our sympathies go out to the sufferers, especially to those who have not only lost relatives and friends in the disaster, but are themselves rendered homeless at this inclement season of the year.

The members of the staff number 3,633, including 280 messengers and 367 janitors; the total, after the withdrawal of the men called up under the Military Service Act, will still be somewhat larger than a year ago. The increase is, however, entirely in untrained women clerks, the number of women being now 1,121, an increase of about 400. On

the other hand, the number of male officers has decreased by 128, in spite of the addition of a large number of inexperienced lads under the age of twenty. Having regard to the continued growth of our business and to the decrease in general efficiency caused by the changes in personnel, the burden laid on our men and women grows heavier with each succeeding month. It was therefore particularly gratifying to us that the results of the year's business were such as to justify a more than usually generous percentage bonus to all the members of the staff.

Of our officers 1,422 have now taken up arms, or 75 per cent. of our present male staff, exclusive of messengers. We know that we have supplied our full quota, but we are making efforts to release every man physically fit who is called up under the Military Service Act and who can possibly be replaced, and are asking exemption for only a few officers, the length and the character of whose training are such that they cannot be replaced.

With grief mingled with pride, we record a total loss of 153 men killed in action, 69 of whom have made the great sacrifice during the past year. No fewer than 255 have been wounded, many seriously, 7 are missing, and 16 are undergoing the hardships of the enemy's prison camps.

During the year the Canadian banks have been called upon to make large advances to the Dominion Government to provide for expenditures in connection with the war, and have also made advances to the Imperial Government for the purchase of our wheat crop, in addition to those already current for the purchase of munitions in Canada. In all this financing the Bank has taken its full share, assisting the Government in the prosecution of the war to the best of its ability. As an item of interest in this connection we may mention that our customers have during the year executed munition orders for a total of over 84 millions of dollars.

The outstanding success of the Victory Loan was a striking tribute to the energy and patriotism of the organization which undertook to place the loan in the hands of the public, and the Finance Minister is again to be congratulated on the result of his endeavours to obtain within Canada as large a proportion as possible of the funds required to carry on the war. As in the case of the last Imperial War Loan the banks were not called upon to subscribe directly, as this would have meant a locking up of their funds in a permanent investment, and would also have tended to inflation, as a result of the additional credit thereby created. Instead of this they undertook to make advances to small subscribers with fixed incomes so as to enable them to take a larger amount of the loan than would otherwise have been possible. The encouragement thus given to the habit of saving throughout the community is of the greatest national importance. The total amount of subscriptions to the loan appears to have reached \$417,000,000, from about 807,000 subscribers, a financial accomplishment of the first magnitude. The subscriptions received through the branches of this Bank amounted to about \$80,000,000 from over 116,000 subscribers.

After the United States came into the war the shipments of gold from Great Britain to that country ceased, and, as pointed out in the report of our New York Agent, a slight adverse movement set in; in order, therefore, to conserve its holdings and to prevent gold from reaching the enemy, the United States Government placed an embargo on exports of the metal. Upon representations being made at Washington, however, through the Canadian Bankers' Association, as to the unfairness of enforcing the embargo against us, the release to Canada of a certain amount of gold was arranged for. While this will, doubtless, aid in the stabilizing of the exchange between the two countries we feel that it is important that the underlying gold reserves of Canada

should be increased to correspond with the great increase in the liabilities of the Canadian banks resulting from war activities. To this end we consider that our endeavours should be directed, and we believe also that the Government of Canada should place an embargo on the export of gold produced in Canada, and see that it is made available for this purpose.

Probably few people realize how essential to modern business is prompt and reliable railway service, or how the lack of such service invariably means high prices to the consumer. No modern business could continue in operation were the transportation facilities of the country suddenly to be suspended. A full consideration of the relation between delays in transportation and increased cost to the consumer is out of place here, but it may confidently be asserted that promptness and regularity of service are of more importance to business men and to the general public than low freight rates. Unfortunately of late years Government efforts have been directed almost entirely to the reduction of the latter, while ignoring altogether the greater importance of the former. The general increase in freight rates recently granted is a step in the right direction. The pass to which the railways of the United States have been brought in this connection is well described by our New York Agent in the Review of Business Conditions, although since his report was written, the United States Government has placed all the railroad lines in the country under the control of a Director-General, to be operated as a single system. Fortunately for the public interest, one of the great Canadian railway systems has not been dependent entirely upon its income from transportation, or the problem here would have become more acute. The cost of operation, that is, of labour, materials and supplies, has risen enormously in recent years, without a corresponding increase in the revenue from transportation. It is not always borne in mind that the development of Canada, and

its subsequent increase in wealth and population, would not have been possible without the construction of the railroads, and that the large number of people who have invested in railroad securities have, therefore, performed a public service of the highest importance. Whatever may have been the motives which prompted the investment, this service still calls for some measure of recognition.

And now a few words as to the future. Up to the present the high cost of living, of which we hear so much, has borne heavily on comparatively few. The great majority of Canadians who are not serving in the armed forces of the Empire are employed at high wages in war industries. They have more to spend than they ever had before, and many are spending it. They scorn carefulness and the small economies that must perforce be practised by the inhabitants of less favoured countries. But there will come a time when high taxation and uncertainty as to the future will make men hesitate to embark on new enterprises, when there will be double the number of applicants for half the number of jobs and when food will be still more scarce than it is at present. Only then shall we realize the full effects of the high cost of living. How shall we prepare for that day? The great need of the world will then be abundance of food, at reasonable prices, and if we in Canada by stimulating production, transportation and distribution, are able to supply the nations in abundance, we shall not only have laid broad and deep the foundations of prosperity for ourselves, but shall have earned the gratitude of the nations. We shall have found a way to utilize the services of the unemployed and to lower as far as possible the high cost of living. The machinery for accomplishing this cannot be created on the spur of the moment, and we must equip ourselves beforehand to cope with the changed conditions which will prevail after the war. We must so co-ordinate the productive forces of the nation that there will be, as it were, the nucleus of an organization already prepared to

utilize the labour of the unemployed in the production of food, and in its distribution and transportation to the great markets abroad. The period of strain immediately following the war will pass away in time and normal conditions will again prevail. In order that this trade should be permanently successful under these normal conditions, it must be organized from the beginning with a view to efficiency and placed on a sound economic basis. When we consider what difficulties have been overcome in order to transport fresh meat from Australia, New Zealand and the Argentine through the tropical zone to the markets of Europe, we cannot but believe that the less serious difficulties confronting Canada can be successfully solved. We have millions of acres of productive land, we expect to have an abundance of labour, but we require organization and leadership.

PRESIDENT'S ADDRESS.

The President then said:

We meet again with the shadow of the great war affecting everything we say or do. We are nearer the end than we were a year ago, but only because a year has passed; in other ways there is no sign of the end. Although the war is in its fourth year, it is still full of surprises; indeed, the year has been one of many and swift changes. The submarine menace, so ominous at one time, is still very serious, "held but not yet mastered," as Sir Eric Geddes lately said. However, we no longer doubt our ability to cope with it, partly by a lessening in the number of ships lost and partly by vastly increased shipbuilding. The collapse in Russia and the set-back in Italy have altered the aspect on the Western front from one in which victory seemed near to one in which it may perhaps be necessary to wait for the new armies of the great republic, before the war can be

pressed to its final stage. Unless Russia comes back into the fighting line, we have to meet the armies of the enemy thus released, but we are not afraid of the enemy ever again breaking through the Western front, and by next spring not only will there be a great accession of strength from the United States for fighting on land, but the building of aircraft and the training of armies of airmen will vastly alter the character of the struggle. Our greatest danger is lest we should falter, because victory is less easy to attain than we thought.

In considering our industrial affairs we find that, disregarding as usual shipments of gold and bullion, our exports for the fiscal year ending 31st March last, were \$314,706,654 in excess of our imports, and for the following six months ending 30th September, the excess was \$237,574,462, making for the eighteen months a surplus of \$552,281,116 in the value of our exports. The gain in exports for the fiscal year was \$399,911,030, while the increase in imports was \$334,292,650. We therefore improved the results of our foreign trade by \$65,618,380 as compared with the year preceding. The figures for the broken period indicate an increase on a much larger scale. Of the improvement during the fiscal year, over 350 millions is due to agriculture and to manufactures, the total increase from the mine, the forest, the fisheries, and animals and their products being less than 50 millions. The exports of manufactures amounted to 487 millions, an increase of 237 millions over those of the preceding year. There is an increase in exports and imports under almost every heading, but the only very noticeable item is that of \$149,930,000 for military stores, munitions of war, etc., "imported and remaining the property of the Imperial Government." In this there is an increase of \$111,296,000 over the corresponding figures for 1916. These imports, mainly necessary to complete munitions being made in Canada, do not affect this country in a financial way. Coal cost us \$11,500,000 more, sugar

\$10,800,000 more, and provisions, much of which was doubtless exported again, \$17,500,000 more. Of the various forms in which iron, copper and other metals are used as raw materials, ranging from the ore to beams, tubes, wiring, etc., we imported about \$42,000,000 more than in 1916. These partially manufactured articles come under a great variety of headings, but they are all, or almost all, forms that we should eventually make in Canada. I regret to say that articles of luxury still show rather too prominently in the list of imports, and there is not much evidence of restraint on the part of Canadians in the purchase of unnecessary things. A surplus of 550 millions in our foreign trade for the 18 months ending September last leaves, even after interest on foreign indebtedness has been paid, a sum of money unheard of in the past, and to this is to be added the results of the crops since marketed or still to be marketed at prices hitherto unequalled, as well as the results of other products of our industry. The field crops of Canada for 1917 are valued at \$1,089,000,000. All of this vast wealth is, however, needed for the conduct of the war, and the problem of the hour is how to apply it to that purpose, wherever it is not needed for some other equally urgent purpose. Great Britain, by shipments from various parts of the world through Canada to the United States, has sent to that country over a billion dollars in gold, but the time has now come when she must have credit for practically all her purchases, and obviously our own Government must have similar credit, except to the extent to which the cost of the war is paid by taxation. The extent to which we can supply money to our own Government for its share in the cost of the war and also supply money to Great Britain for munitions of all kinds, including the agricultural and pastoral products of Canada bought by Great Britain, depends on how far we are willing to avoid spending money on anything unnecessary to reasonable well-being, and clearly such an effort we

have not made. Capital is not, however, in any large measure, being fixed in betterments, either by individuals, municipalities, or provincial and Dominion governments, and thoughtful people, at least, are spending less, and realize that we are engaged in the struggle of the ages. Now that the United States has entered the war there is no market for our securities outside our own borders, and therefore we are being put to a greater test of our economic powers than ever before. If provinces or municipalities have securities to sell they must be sold at home.

In the year ending 31st March, 1917, we bought goods to the value of 865 millions abroad and of these 678 millions came from the United States. As we sold that country only 290 millions we had to find 388 millions in money or securities. We can now sell securities nowhere but at home, and our export and import business is done almost entirely with Great Britain and the United States. We export to Great Britain enough more than we import to cover our shortage with the United States, and a large sum besides. Therefore it is clear that in respect of what we owe the United States that country must lend to Great Britain a sum corresponding to our sales to the latter country, if we are to continue to trade with the United States. Since the United States has entered the war, however, large orders for war supplies for their use have been placed in Canada, and it is too early to tell how these will affect our trade balance with that country. It should not be hard to understand from these figures how vitally important it is that we should not buy outside Canada a dollar's worth of merchandise that is not absolutely required for our most pressing national purpose, which is to win the war.

The success of the Finance Minister in his share of the financing of the war has been so signal and its latest phase is so well known to you, that I repeat certain details now

only for the information of our foreign shareholders and correspondents. In January the issue of War Savings Certificates began and thus far over 195,000 have been sold, amounting to twelve million dollars. The importance of these certificates, which are issued in denominations of \$10, \$25, \$50 and \$100, is not so much the amount thus secured as the opportunity they offer to almost every individual to save and to take some share in the nation's financing. In March the third Canadian war loan was brought out. The amount to be issued was \$150,000,000, the loan being for twenty years with 5 per cent. interest, and the price 96. The net subscriptions, after deducting conversions and the subscriptions of the banks, amounted to \$182,000,000. There were over 40,000 subscribers, as against 25,000 for the first and 30,000 for the second loan, the total thus far secured being \$350,000,000. As no unusual effort was made, the results were very gratifying. In August the Minister secured in New York, by two year 5 per cent. notes, \$100,000,000, of which 20 millions were used to retire the balance of a loan obtained in 1915. In November the fourth Canadian war loan was offered. At that time we had before us the fact that while the Finance Minister had readily obtained from the Canadian people what he had asked for, they had subscribed to the third loan in the proportion of only about one in every two hundred.

Having this in mind, the Finance Minister created an organization calculated to show what the Canadian people could do. An extraordinary body of bond-dealers, bankers and other business men, aided by the 3,000 branches of the banks, in a comparatively short campaign secured subscriptions for 417 millions of dollars from 807,000 people. If to these we add the 195,000 purchasers of War Savings Certificates and disregard the duplication of names, we find that about one in eight of our people have responded

to the call. The Minister had offered a loan of \$150,000,000, repayable in 5, 10 or 20 years with $5\frac{1}{2}$ per cent. interest, issued at par with a slight advantage in interest to the subscriber in making his payments. He had stated that subscriptions in excess of 150 millions would be accepted in whole or in part, and the hope was that 250 or 300 millions would be secured. It is safe to say that such a figure as 400 millions was not deemed to be within the realm of possibility.

The actual disbursements of Canada for the war to 30th November amounted to \$685,000,000. To this must be added outstanding expenses and estimates for the balance of the year to cover requirements here, in Great Britain and in the field of war. These, carefully computed, indicate that at the end of the year the cost of the war to Canada was about \$760,000,000. It is well known that, in addition to the task of finding money for such vast expenditure, the Finance Minister has been called upon to aid the Imperial Government to provide for a large part of the cost of munitions, etc., purchased in Canada. In addition to advances to the Imperial Munitions Board of 380 millions, as much as 32 millions was lent for the purchase of cheese, 15 millions for agricultural products, and about as much more for other items. Against this there are offsets in connection with the upkeep of our troops and with other matters, but the final result at the moment leaves Great Britain considerably in debt to the Canadian government.

A comparison of the figures of the chartered banks as in July, 1914, and in October last is very impressive. The total liabilities have grown from \$1,323,252,000 to \$1,995,488,000, an increase of \$672,236,000, the growth in deposits being \$589,837,000 and in note circulation \$95,037,000. As against this, loans have increased \$128,544,000, securities \$320,742,000, cash \$70,572,000, exchanges with other banks

\$50,911,000, balances due by foreign banks \$20,429,000, and deposits against excess circulation \$76,370,000. The addition to loans and securities of \$450,000,000, and that large part of the remaining loans which has taken the place of ordinary industrial loans before the war, represent the financial aid rendered by the banks to the carrying on of the war, but the banks have now to face the loss in deposits which will be caused by the payments to be made for the Victory Loan. This will in any event mean something between three and four hundred millions of dollars by next May. It is true that the money in the end will return to the banks in one form or another, but not necessarily to the same banks and not in the same form. The loss of savings deposits, built up over a series of years and now transferred permanently into a new form of saving in which the banks have no part, is being borne cheerfully because the reason for it is imperative, but it would be foolish not to recognize what a serious and difficult operation the great war loan is to the banks. The banks still hold the Imperial obligations for munitions amounting to one hundred million dollars referred to a year ago, and during the past year they have made loans to the Dominion Government more or less connected with aid to the Imperial Government. In January they bought Canadian Treasury bills for 50 millions maturing early in 1918, in July and August 70 millions of three and five months bills, and in October 75 millions maturing in 1919. It will be observed that all of these loans except the last have been or will be shortly repaid.

The sales of Canadian securities for the calendar year 1917 show a much larger total than ever before, but the issues, other than those of the Dominion government, are naturally very small. As usual we supply the following details from the annual estimate of the Dominion Securities Corporation:—

| Securities | Total Sold | In Canada | In United States | In Great Britain |
|---------------------------------|---------------|---------------|------------------|------------------|
| Government..... | \$693,420,279 | \$551,180,279 | \$142,240,000 | |
| Municipal..... | 25,219,103 | 19,387,738 | 5,831,365 | |
| Railway..... | 22,566,666 | 200,000 | 17,500,000 | \$4,866,666 |
| Public Service Corporation..... | 15,425,000 | 1,825,000 | 13,600,000 | |
| Miscellaneous..... | 16,110,800 | 8,370,800 | 7,740,000 | |
| Total..... | \$772,741,848 | \$580,963,817 | \$186,911,365 | \$4,866,666 |

That 580 millions of securities could be placed in Canada in one year, in addition to the aid given by the banks to the manufacture of munitions, is very surprising, but we must remember that it was still necessary to obtain 190 millions from outside during the year and that not only are these avenues now completely closed, but if we hope to continue the making of all kinds of war products as actively as heretofore, we must find at home much larger sums in 1918 than in 1917 for investment in war securities. Even if the sale of the relative securities were possible, all expenditures, except for the war, must be restrained, and this is abundant reason for the recent order-in-council under which new issues in Canada of the securities of any province, colonial or foreign government, municipality, corporation or incorporated company, may be sold only with the approval of the Minister of Finance.

The totals of the twenty-five clearing houses reflect the increased volume of almost all products and the higher prices prevailing. In every clearing house there is an increase as compared with 1916. The total amounts to \$12,554,204,000 as compared with \$10,557,060,000 for the previous year, a growth of 18.92 per cent. The total for the eight clearing houses in existence in 1901 was \$1,871,061,000 so that in sixteen years the figures have grown 571 per cent.

We also subjoin as usual the building permits of the four chief cities of Canada for 1913, the year previous to the outbreak of war, for 1916, and for the year just ended:—

| | 1913 | 1916 | 1917 |
|----------------|--------------|-------------|-------------|
| Montreal..... | \$27,032,000 | \$5,334,000 | \$4,387,000 |
| Toronto..... | 27,038,000 | 9,882,000 | 7,163,000 |
| Vancouver..... | 10,423,000 | 2,412,000 | 768,000 |
| Winnipeg..... | 18,621,000 | 2,507,000 | 2,212,000 |

We have found it rather more difficult than usual to obtain statistics regarding the quantity and the value of the various kinds of war supplies made in Canada, but as heretofore such figures as we are able to give are highly illustrative of the importance of this work, both as a part of our contribution to the war and as the main basis of our prosperity at the moment. There is a reduction in the output of many kinds of shells, fuses and cartridge cases, as purchases are being restricted to certain sizes. On the other hand, however, there is an important development in the building of steel and wooden ships and of aeroplane engines, and also of aeroplanes of a certain type. With these exceptions there is a large decrease in purchases by Great Britain, due doubtless to the inability of Canada to grant the necessary credits. It is therefore most gratifying to know that the Chairman of the Imperial Munitions Board has made arrangements with the Ordnance Department of the United States to use, until next midsummer, such surplus facilities existing here for the production of munitions as will help to meet the requirements of that country. Canada is producing gun ammunition, including propellants, high explosives, fuses and cartridge cases in 550 factories situated from St. John in the east to Victoria in the west. In addition to contracts given to private corporations, the Imperial Munitions Board has developed government factories for the loading of fuses, for the production of powder and high explosives, for the manufacture of sulphuric and nitric acids and acetone, and of steel and forgings, and for the construction of aeroplanes. On these plants the sum of \$13,500,000 has been expended for account of the Imperial Government. The Board has also contracted for the building of a large

number of the latest type of high-power aeroplane engines for the use of fighting planes at the front. This engine represents the highest type of workmanship of any engine that has been produced, and we may well be proud that such a young and inexperienced country as Canada is able to undertake the work. Even more important from the industrial point of view is the fact that there are now under contract in Canada for the Imperial and the Norwegian Governments, steel and wooden ships aggregating in value over \$90,000,000. Up to December, forty-four steel and forty-six wooden steamships had been ordered. The steel ships range from 1,800 to 8,800 tons dead-weight, with a total carrying capacity of 213,600 tons, and the wooden ships have an individual carrying capacity of 2,500 tons dead-weight, with a total of 115,000 tons. In addition to this twenty-two steel vessels, of 3,500 tons dead-weight capacity each, have been ordered on Norwegian account, a total of 77,000 tons. This makes a grand total of one hundred and twelve ships with 405,600 tons capacity. The steel ships are being built at New Glasgow, Montreal, Toronto, Welland, Midland, Collingwood, Port Arthur, Vancouver, North Vancouver and Bridgeburg. The wooden ships are being built at Liverpool, St. John, Isle of Orleans, Côte St. Paul, Quebec, Three Rivers, Toronto, Fort William, Coquitlam, New Westminster, Vancouver, North Vancouver and Victoria.

As a consequence of the work of the Imperial Munitions Board, Canada is for the first time producing refined spelter (zinc) and refined copper and there is an important increase in the output of refined lead. The natural result of refining our spelter and copper is the local production of brass, and this again enables many articles made of brass to be produced from our own metal. The value of the orders thus placed by the Board exceeds \$1,000,000,000 and the actual disbursements to date are almost \$800,000,000.

The number of complete shells thus far produced is 49 millions.

The purchases made under the authority of the War Purchasing Commission for account of the Department of Militia, of the Department of Justice for interned aliens, and of the Department of the Naval Service, have been smaller as a whole than last year, although the purchases for the last-mentioned department have been larger owing to the increase in naval work at Halifax. We have been able to secure some interesting figures covering a part of the activities of the various departments. They are as follows:

Department of Militia

| | |
|--|--------------|
| Arsenals, supplies for manufacture of ammunition, etc. | \$ 1,500,000 |
| Clothing..... | 5,000,000 |
| Dental Supplies..... | 120,000 |
| Fish for C.E.F. in England..... | 300,000 |
| Mechanical Transport Supplies..... | 300,000 |
| Medical Supplies..... | 500,000 |
| Provisions, including food, fuel and forage..... | 7,500,000 |
| Railway Construction Equipment..... | 270,000 |
| Stoves and Miscellaneous..... | 2,500,000 |

\$17,990,000

Department of Justice

| | |
|----------------------------|---------|
| Internment Operations..... | 700,000 |
|----------------------------|---------|

| | |
|----------------------------------|-----------|
| Department of Naval Service..... | 2,500,000 |
|----------------------------------|-----------|

These departments also have appropriations which do not come under the control of the War Purchasing Commission.

The public will be interested to learn that the Navy and Army Canteen Board of London, through which the various canteens of all the British forces are mainly supplied, sent a representative to Canada to secure assortments of Canadian products for sale in the canteens. The products selected were: canned meats, canned salmon and other fish, condensed and evaporated milk, biscuits, chocolate, candies, preserved fruits, jams, evaporated fruits, etc.

About a year ago the War Purchasing Commission secured samples of fish such as cod, haddock, pollack, etc.,

for the Board of Trade in London. This resulted in their placing in Canada large contracts for fish.

We are also able to afford approximate figures for purchases made on account of the British War Office by the Canadian Pacific Railway Company, as follows:

| | |
|-------------------------------------|--------------|
| Foodstuffs..... | \$14,000,000 |
| Merchandise of Iron and Steel..... | 700,000 |
| Sugar..... | 8,000,000 |
| Forestry and Railway Equipment..... | 2,000,000 |
| Other Articles..... | 1,000,000 |
| | <hr/> |
| | \$25,700,000 |

The purchases by the Department of Agriculture down to December cover about 110,000 tons of hay, 35 million bushels of oats, and 275,000 tons of flour, requiring about 14 million bushels of wheat. The total value of these purchases is about \$48,000,000.

We have made an attempt also to follow the purchases of such ordinary articles as wheat, cheese and meats. It is understood that the purchases in Canada by the Wheat Export Company of wheat and oats from this year's crop will reach 350 million dollars in value, and that there have been shipped cheese valued at between 30 and 40 million dollars and a large supply of meats, partly the product of Canada, and partly from animals bred in the United States, but cured here. The published returns are not easy to follow but we appear to have exported, during the year ending March, 1917, live animals, including horses, to the value of 15 millions and meats to the value of over 60 millions; against this we have apparently imported meats to the value of about 25 millions. For the six months ending September the totals of both imports and exports, measured only by value, are on a basis 50 per cent. higher than for the previous year.

These figures show some of the activities of the Canadian people in the way of production, but the need is greater, in some directions much greater, than ever before. The outpouring of supplies of all kinds, from wheat to shells,

must go on, but the most crying needs are for sea-going ships, aircraft and those forms of food which are more necessary than others to sustain life in its fullest vigour and without a sufficient supply of which the allied nations are threatened with starvation. The supply of wheat is vital, and the losses of shipping add enormously to the difficulty of obtaining supplies from the southern half of the world. At the same time the scarcity of labour makes the life of the North American farmer so difficult that he needs all our sympathy, and should have all the assistance which the city worker or student can give him in summer time.

One of the most valuable foods for the soldier is bacon. He can apparently do more fighting on it than on anything else. In the United States, when necessary, breeding stock and help in other forms is being supplied to farmers to ensure the largest possible production of bacon, and associations of breeders have been formed for the purpose of distributing well-bred stock. This is being done by men who realize that if we fail in producing greater quantities of bacon than ever before, we shall fail in our duty to the soldiers. In this country we have been occupied in an effort to place the blame for the high price of an article, which, beyond any doubt, we ought not to consume in large quantities just now, and we have apparently forgotten that the price has gone up mainly because bacon is vital to carrying on the war and that if we do anything to lessen the efforts of the producers, the price will certainly be much higher next year than it is now. In England well-to-do people are standing in line for their food supplies, and they, at least, are learning that the talk of famine is not a story to frighten children with, but a terrible possibility. The harvests have not been plentiful and the danger is as real as the menace of the submarines. We ask the farmer, in spite of the great difficulties which confront him, to produce to the last ounce, but how can we make our city people save food, remembering that every ounce saved

will provide food elsewhere for those who without it must starve?

We are living in a time of social unrest affecting greater areas of disturbance than the world has ever known. We are experiencing this unrest at a time of which it may be said, that those who live in our part of the world were never so easily able to obtain employment suited to their varied capacities, never so highly paid, so far as those are concerned who aid in the production of goods for sale, never so prosperous, using the word in a material sense. The price of everything, however, was almost never so high, and the purchasing power of the dollar has declined so much and so rapidly that people with a more or less fixed income suffer keenly, while those who earn more money than they could have conceived possible a few years ago, are disappointed and apparently surprised to find that everything else has advanced in price in proportion to their high wages. Out of this turmoil has come a bitterness towards all who, by any stretch of fancy, can be held responsible for existing conditions, a bitterness often without any real basis, and which is accompanied by explosions of wrath directed at whatever happens to be the nearest object of criticism, but, if continued, and kept at fever heat as it has been of late, promises ill for our country after the war. I am aware that I shall be accused of defending Capital and what are called the Big Interests, but there must be many readers of the annual addresses made by the officers of this Bank who will believe that we try as faithfully as we are able, to portray conditions as they exist. Nothing in the end is to be gained by blaming the premier or the food controller, the provision dealer or the farmer, for high prices which are not merely a result of the war but a result of war requirements so peremptory that the question of cost almost disappears. The conditions arising out of the war are at the bottom of most of our troubles, and what is necessary is not only fair dealing on the part of those who supply the wants of the

people, but patience, and some remnant of belief in our fellow-men, on the part of those who feel the pinch and who, perhaps naturally, would like to punish somebody. If dealers have combined to put up prices, let them be punished, but apparently we are complaining because dealers, in buying from producers, did not combine to lower prices or to keep them down. The needs of the war are, however, so great that no combination can control prices either in one way or the other.

At the present moment the world provides wealth, and also material comfort, on a scale so vast, when compared with conditions a century ago, that surely no one will deny that the energy and the laws which have made this possible have been as a whole of enormous benefit to humanity. Yet this improvement in conditions is created by an appeal to the self-interest which exists in us all. To produce the best that we are able and to sell it for the highest price we can get, is what we are trying to do, whether our product be a day's work, a bushel of wheat, a plough, an intellectual or an administrative service of some kind to society, or a creation in the fine arts. Those who can honestly say that they are not so moved are either the idle rich, who are always a problem, or are too exceptional to affect the world as a whole. What is surely necessary is not to restrict the production of labour or merchandise at a profit, because clearly that is the impetus to industry, but to see that this industry and ability are guided into channels which are beneficial to the community and not hurtful. That the free exercise of industry and ability in accordance with the laws of the country and with the best existing standards of character, will enable one man to become very rich and another to earn only enough to support his family, is a fact for which nature is mainly responsible, and for which the ingenuity of man has not thus far found a remedy. If society by its laws should

choose to limit the amount of wealth which any one may accumulate, let us wait until it has done so before passing judgment and when we undertake to express our opinion of the character of those who possess great wealth, let us judge them by the use they are making of it, by the extent to which they regard it as a trust which came to them only because they were in some things abler than their fellows, and as a means through which they may leave the world the better because of their existence. Many rich men do not come up to this standard, and by inheritance taxes we are gradually adjusting matters, but in North America there are so many instances of good service rendered to the state by wealthy citizens that one wonders if we should not be greatly the losers by any new condition which would hamper individuality and, in so doing, perhaps destroy the main factors which separate our twentieth century comfort from the miseries of the middle ages. In contending for a more rational consideration of the relations between the consumer and the producer, we have no intention of claiming that conditions are satisfactory, nor are we expressing an opinion regarding the relations of employers and employed, and certainly we hold no brief for either side. A great bank is vitally concerned with what will conduce to the true interest of the country, and that means the greatest amount of well-being on the part of its citizens.

We have to face new and probably very difficult conditions after the war. If we are filled with animosity and distrust in our attempts to adjust our differences, the result will be a sorry one; if, on the other hand, with the experience we shall gain in many ways by the war, we co-ordinate the forces of industry we possess so as to present a united and efficient front, we may hope to enjoy in the fullest degree the peace and liberty for which our boys are fighting, together with greater prosperity than we have ever known. To accomplish this there are at least three elements which must be present. In our leaders of industry

we must have enterprise and skill, and we must have plant and capital on a scale adequate to compete with other nations. Only the profits made and the experience gained during the war can render this possible. We must have technical knowledge of how to solve every difficulty, physical, chemical, or whatever it may be, that confronts the manufacturer, and some steps are being taken towards that end. More, however, than anything else, we must have such relations between the employer and the employed as will cause the employed to do heartily each day a full measure of his best work. The last is the great difficulty to be overcome, and the element about which there is unfortunately the most doubt. This is said with no intention whatever of apportioning blame. One would suppose that there must be faults on both sides. The fact remains that if we are to compete successfully with other nations we must recover the older condition when men were proud of the shop they worked in and of its product. It may only be a material question, but it may be a psychological one. Have employers and employed struggled with each other until the only natural feeling is antipathy, or can each be made to feel that he is so necessary to the other that not to work together at their best is folly, apart from the economic crime involved?

In the President's address until a few years ago an attempt was made to cover in more or less detail the industrial position of Canada and of such other areas as, through our branches, we may be connected with. This is now done much more satisfactorily in the Review of Business Conditions written by leading officers of the bank, and this makes it unnecessary for me to deal with the financial and other conditions in Great Britain and the United States arising out of the war and in which Canada is so deeply interested. For the last two years we have also been publishing a Monthly Letter, the importance of which is now widely recognized. In it the current statistics of finance

and trade are published, and in addition to notes on subjects of interest, there were in 1917 diagrams covering the mineral production of Canada, the earnings of Canadian railways, freight traffic through the canals at Sault Ste. Marie, agricultural and industrial production, and wood for pulp exported and manufactured. We hope that those among our shareholders and customers who are sufficiently interested will read these publications.

We have been told that we should save money, not for our own benefit so much as because we should not spend on unnecessary things the money needed to carry on the war. It is even more necessary that we should eat less, again not so much because we need to save for ourselves but because if we do not eat less others across the sea must go hungry. If we have men, money and food we shall win. If we fail in any of these we may lose. Individual tests, particularly in hotels and restaurants, show that very large savings can be made wherever the effort is directed to that end, but the difficulty is to make advice, or even the regulations of the Food Controller, effective in a country which produces food largely in excess of its own requirements and where economy in the use of food is thought to be evidence of a mean and sordid disposition. It is not, however, enough that we should eat less but that we should as far as possible replace some articles of food, especially white bread and bacon, with others. There is a satisfactory increase in the use of fish but only a small fraction of our people are responding in any degree to the call to economize. England has reduced the supply of sugar per capita per annum from 93 pounds to 26. Our normal supply is 90 pounds and we are not reducing it yet. Working in harmony with the United States, an order-in-council has been passed prohibiting the export, except to places within the empire, of food and relative commodities, unless a license has been obtained. The Food Controller is bringing under license the milling and packing industries, and is controlling the refining and

distribution of sugar. The license system will also be applied to fish, fruit, vegetables, groceries, package cereals, milk, etc. In our London Manager's Review of Business Conditions the following deeply significant words will be found:—

“Too much importance cannot be attached to the
“steps that may be taken in the United States and
“Canada towards conserving food-stuffs, with a view to
“increasing the amount available for export to the Allies.
“The shortage of food, with which all the belligerents
“are confronted, and the difficulty of increasing produc-
“tion, owing to the lack of available man power, may
“hasten, or even prove the dominating factor, in bring-
“ing about a cessation of hostilities.”

He means, of course, that such a shortage may prevent us from continuing the war until we can end it on our own terms. Do you wonder therefore that we return so often to this subject? Difficult as the problem may be, we must produce more, and we must eat less, otherwise some of those who are dearest to us across the sea must starve and we may lose our chance of dictating a peace, the nature of which shall be a guarantee that our children shall not have to fight again for those liberties which are now in jeopardy.

On the motion of the President, seconded by the Vice-President, the report was adopted.

Mr. Z. A. Lash: I have here a resolution to amend a by-law. This is introduced owing to the change in the par value of the shares of the Bank from \$50 to \$100. The present by-law declares that the qualification of a Director is that he should hold 100 shares fully paid, and that meant \$5,000 under the old by-laws. The Bank Act now declares the qualification, and puts it at \$5,000 for a bank with stock exceeding \$3,000,000. The amendment which is proposed leaves the amount of the qualification as fixed by the Bank Act, and improves the reading of the by-law. I therefore move:

Be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce assembled at the annual general meeting held in the board room of The Canadian Bank of Commerce at the corner of King and Jordan Streets, Toronto, on the 8th day of January, 1918, as follows:

That by-law No. 1, adopted by the shareholders on the 12th day of January, 1909, and amended by them on the 9th day of January, 1912, on the 14th day of January, 1913, on the 13th day of January, 1914, and on the 11th day of January, 1916, be and it is hereby repealed and the following substituted therefor:

"The Board of Directors of the Bank shall be
"nineteen in number, of whom three shall constitute
"a quorum. The qualification of a Director shall be
"such as is provided by the Bank Act. In case a
"Director makes a general assignment for the benefit
"of creditors or his estate is placed in bankruptcy or
"liquidation under the provisions of any statute
"relating to bankruptcy or insolvency, such Director
"shall forthwith cease to be a member of the Board."

The motion was then seconded by Dr. Hoskin and carried unanimously.

It was moved by Mr. J. B. McKechnie, seconded by Mr. E. Hay, that the retiring auditors, Messrs. T. Harry Webb, C.A., and James Marwick, C.A., be and they are hereby reappointed to hold office until the next annual general meeting, their remuneration not to exceed \$18,000. Carried.

It was moved by Mr. W. Davidson, seconded by Mr. Helliwell, that the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank during the past twelve months.

Mr. Davidson: The report which has been submitted by the Directors is so convincing that scarcely anything else is needed to show the propriety of this resolution.

The exhaustive, intelligent and educative statement made by the President shows that the affairs of this Bank receive the most careful attention, not only in so far as the individual items of business are concerned, but also with regard to the world-wide outlook of business generally, which has a great bearing and influence upon the conduct and success of an institution of this kind and size. The volume of business shown by these statements is so big that one is lost in amazement at the amount of care and attention that must have been expended to bring about the results we have before us to-day. The net profit return also is very satisfactory to the shareholders in these troublous times.

Another point which strikes me, and which will no doubt occur to you all, is the character of the assets. In looking at the financial statement, we have an assurance of the great stability and solvency of the Bank. No doubt these assets have all been gone over so as to make sure that the Bank may be upon a substantial basis, and that no sudden panic or climax in financial affairs may disturb or upset its soundness. The Rest Account has been referred to as not being quite equal to the capital, but I suppose that it is not out of place to take the \$1,332,074.52, which is given as the balance of profits as per Profit and Loss account, as in some sense a part of the Rest Account, and if that is so, the Rest is very nearly equal to the Capital. I think the Directors are exercising a wise policy in establishing a large and substantial Rest.

This country is going through great throes in its commercial enterprises at the present time. When the war ends many things will be changed; the banks will be the channels through which the moneys to develop this country will be found, as well as the custodians of the people's savings. Therefore it is the bounden duty of the Directors that the banks should be strong and careful. I think our Directors are fulfilling that duty to the utmost.

The Chairman: On behalf of my fellow Directors, I thank you for this time-honoured resolution. The year, of course, has been a pretty heavy one upon those members of the Board who have been able to attend its sessions. Credits have been far larger and far more difficult, in view of the war, than ever before. Yet I think thanks are due equally to many members of this Board who have not been able to attend its sessions on account of serving their country in other capacities. Most of our Directors are active business men, and when I tell you that three of them are engaged for their entire time in the purchase of munitions for the country, and that another is giving his entire time in England to war work, you will realize that we have a Board of which we can be proud. We appreciate Mr. Davidson's kind words.

It was moved by Mr. Alexander Bruce, K.C., seconded by Mr. Cook, that the thanks of the meeting be tendered to the General Manager, the Assistant General Manager and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months.

Mr. Bruce: This motion requires very few remarks from me, because the statement itself is much more eloquent than any words I might give utterance to. We have just passed a resolution of thanks to the Board of Directors, and someone might ask who is entitled to the credit for the management of this institution. The answer is plain. It is by the hearty co-operation of the General Manager and the staff with the Directors that we get such results. The shareholders get a return of 12 per cent. upon the par value of their shares, but it is not only the shareholders of the Bank who should be thankful. The whole of Canada and the whole of Great Britain and of the Empire should be thankful that the banks have been able to act in such close co-operation with the Minister of Finance as to bring about the results to which reference has been made by both our President and General Manager in their addresses.

The Chairman: I quite agree with Mr. Bruce that the Directors' share of the credit for the results of the year's business is not very large as compared with that of the Executive and the staff. If we are proud of what our Directors have done in connection with the war, we are still more proud of what our men have done. I do not mean solely as officers of the Bank, but in the extent to which they have been selected for war work because of the respect in which they are held in the different places in which they are living. Our General Manager has been knighted by the King, which is some recognition of his public services. In Winnipeg our Superintendent has been one of the most active workers in connection with the agricultural development of the country, and was one of those selected to go to Ottawa when difficulties arose in connection with the moving of grain. Our Manager in Winnipeg was appointed by Order-in-Council a member of the Military Hospitals Commission of Canada. Our Manager in Vancouver is a member of the Royal Commission on the Fishing Industry in British Columbia. Our Manager in Halifax is not only Chairman of the Shipbuilding Commission in Nova Scotia, but we have relieved him of his duties for a month because of his activities in connection with the repairing of the results of the disaster in Halifax. Our Manager at Calgary has been Chairman of the Committee to select applicants for the Royal Flying Corps, and our Managers in three cities were chairmen of the Local Committees for the Victory Loan. I think it well to tell you this to give you an idea of what this Bank thinks of service. While we talk a great deal to our men in regard to service to the institution, we have always done our best to instill into them, from one end of the country to the other, a sense of service to the state as well as to this institution.

The General Manager: I have to thank the shareholders sincerely for this vote of confidence in the Executive and the general staff of the Bank, including the ladies, who

now number between 1,100 and 1,200. This is a recognition we appreciate very much and which we would miss very much if it were omitted from the minutes of the annual meeting of the shareholders. I wish also to thank the President and the members of the Board for the valuable assistance and counsel they have given me during the past trying year. I am sure that without the support of the Board during the years since the war started the Bank could not have reached its present position.

As to the honour which has been conferred upon me by His Majesty The King, to which the President has so kindly referred, I cannot regard it as having been conferred upon me by reason of any personal merit of my own. I think it is a recognition of what the Bank has done in men and money both for the Empire and for the Allies, not only in the Dominion of Canada but in England and in the United States. We have several very important offices in the United States, and one in England, and I am sure that the services the Bank has rendered in all these quarters have been very important.

The Assistant General Manager: It gives me very great pleasure to associate myself with the General Manager in thanking you for the resolution which you have just confirmed. It is one to which, as he has said, we look forward, as this is the only occasion during the year on which the shareholders have an opportunity of expressing their appreciation or otherwise of the services of the staff.

The past year has not been an easy one. The ability to sustain the strain caused by the press of work has only been possible by devotion and loyalty to duty on the part of the staff, which is beyond praise. The Executive could not have achieved the results of which you have spoken so warmly without that co-operation. It is a great pleasure for me to say that the generous bonus which the directorate

granted was most gratefully received, because as Sir Edmund mentioned, the pressure of the cost of living is greater upon those who work on a fixed salary than upon those who are engaged in remunerative war work; consequently any recognition of this kind comes at a time which is most opportune.

There is one thing we would ask the public to remember during the coming year and that is that the pressure of work upon our staff will become greater owing to the operation of the Military Service Act. We shall lose a great many of our trained men, and shall have to replace them with inexperienced clerks, women and men. The public should be patient and recognize that our staff is doing its best under very heavy disadvantages.

Mr. H. B. Walker: I am very glad to have an opportunity of saying a few words in response to the resolution thanking the officers for their services during the year. As you have been told, it has been a year of perhaps more than usually exacting service on the part of the staff, but I think it can be said that never at any time has the work of the Bank been performed more cheerfully and more loyally. At previous annual meetings, frequent reference has been made to the *esprit de corps* of the Bank of Commerce. I would not refer to it now, were it not for the fact that such a large percentage of the staff is now made up of young women, and of a greater proportion than ever of junior officers who have recently entered the service. I think it may be said that they are rapidly imbibing the spirit for which this Bank is noted, and that they feel that they have performed their little bit in the service of the Bank, and have helped to contribute to these splendid results which have been presented here to-day.

I am sure that I may speak for the staff generally when I mention the great pleasure and satisfaction we all felt at the recognition which our General Manager

received at the hands of the King. We felt that it was a distinction which he had thoroughly earned by his services.

I thank you very much for this resolution, which I know is very much appreciated by the whole of the staff of The Canadian Bank of Commerce.

Mr. Macgillivray: I could have wished that the selection had fallen upon somebody else because, as is well-known to this gathering, we have in Halifax passed through strenuous times during the past two months, and the staff and myself are in the midst of it. On that subject I do not think it would be improper for me to say to this gathering that the most distressing descriptions you have read of what happened at Halifax are quite inadequate to portray the real situation.

I am one of the senior men, and speaking as one who is looking backward rather than forward, I feel that the staff of the Bank deserves the thanks of the shareholders. In saying this I have in mind that large body of men and women whom you never see and never come in touch with, unless you visit the branches, upon whom after all falls the real burden of the interminable amount of routine that is involved in the turnover of \$20,000,000,000 mentioned by the General Manager. I think that the resolution is one which is very richly deserved and fully appreciated.

Before I sit down, I should like to associate myself with Mr. Walker in another matter, the great satisfaction the staff felt at the honour conferred on the General Manager by the Imperial Government. I may say that from my associations with some of the leading English bankers when I was in London recently I felt it a matter of infinite pride that men in the banking world there spoke of our General Manager as one of the big figures in the financial affairs of the Empire to-day.

It was then moved by Dr. Colby, seconded by Mr. Fuller, that the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open until three o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered; the result of the election to be reported by the scrutineers to the General Manager.

The meeting then adjourned.

The scrutineers subsequently announced the re-election of the retiring Directors, at a meeting of whom held later in the afternoon, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was re-elected President and Mr. Z. A. Lash, K.C., LL.D., Vice-President.

A REVIEW OF
BUSINESS CONDITIONS
DURING
THE YEAR 1917

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1917.

| | |
|---|---|
| NEWFOUNDLAND | The St. John's Manager |
| THE MARITIME PROVINCES | The Halifax Manager |
| QUEBEC | The Montreal Manager |
| ONTARIO | {The Assistant General Manager |
| MANITOBA, SASKATCHEWAN AND ALBERTA | {Superintendent of Cen- tral Western Branches |
| BRITISH COLUMBIA AND YUKON - | {The Superintendent of Pacific Coast Branches |
| THE UNITED STATES | {The New York Agent and the Superinten- dent of Pacific Coast Branches |
| GREAT BRITAIN | The London Manager |

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1917

NEWFOUNDLAND

Not for over twenty-five years has there been such universal prosperity in Newfoundland. This is chiefly due to the high price and the strong demand for codfish, and to the unusually large run, which is estimated at 1,750,000 quintals. The following table gives the exports of codfish for the fiscal years ending in June 1916 and 1917:

| | 1916 | | 1917 | |
|--------------|-----------|--------------|-----------|--------------|
| | Quintals | Value | Quintals | Value |
| Dried..... | 1,421,327 | \$10,394,041 | 1,568,020 | \$12,876,847 |
| Pickled..... | 81,961 | 291,452 | 210,514 | 813,895 |
| Total.... | 1,503,288 | \$10,685,493 | 1,778,534 | \$13,690,742 |

Prices were as follows:

| | 1916 | | 1917 | |
|----------------------|---------|-------------|---------|-------------|
| | | per quintal | | per quintal |
| Shore fish..... | \$6.50— | \$8.30 | \$10.00 | |
| Labrador soft-cured. | 6.00— | 6.60 " " | 6.50— | \$8.00 " " |
| Labrador hard-cured | 7.00— | 7.80 " " | 9.60— | 9.90 " " |

The importance of the increase in the return derived by the Colony from the codfishery, owing to the heavy catch and high prices, can readily be understood from the above figures. It may be mentioned that the Labrador fishery alone gives employment to about 15,000 fishermen. It is also interesting to note the destination of the exports. In 1916 Brazil was the Island's best customer, followed by Portugal, Spain and Italy in the order named. This year, doubtless owing to the change of tariff in Portugal referred to elsewhere, that country took first place, while the United Kingdom imported twice as much as in 1916.

At the commencement of the season the outlook was far from reassuring. There was a serious shortage of tonnage and a scarcity of salt, of which about 40,000 tons are required in preparing fish for export. The prospects of the export trade were so uncertain as to cause intending buyers to hesitate, and it looked as if low prices would rule. The situation appeared to be so serious that it became an important factor in the formation of a National Government. Later in the season the Executive Council appointed a Tonnage Committee, which took steps to secure steamers from abroad and also arranged to underwrite a portion of the war risk insurance. Gradually confidence was re-established, so that when representatives from the Mediterranean markets commenced to purchase there was a sharp reaction in the tone of the market and purchases were freely made.

Our sailing vessels have again proved our salvation, although we regret to state that about fifty of our ocean-going vessels have been lost since the commencement of the war, a few of them having been torpedoed. The Tonnage Committee's report shows that Newfoundland now owns the largest foreign-going fleet in her history, and this is due to the enterprise of the exporters, who have been purchasing and building ships on a large scale. As a consequence, shipbuilding is likely to become an industry of considerable importance in the various outports. It is now hoped that it will be possible to move the entire product of our fisheries with this large fleet and with the aid of the steamers which the Tonnage Committee was able to charter. As one result of the shortage of tonnage it became necessary to prepay all freights, which are at present exceedingly heavy. Up to the month of November, 1916, freight rates were paid by the consignee upon delivery of the cargo, the rates being at that time 5 shillings per quintal to Spain and Portugal outside of the Straits of Gibraltar, 6 shillings per quintal to Spain inside the "Straits," and from 7 to 8 shillings per quintal to Italy. The freight must now be

prepaid by the shipper and the prevailing rates are 15 shillings per quintal to Spain and Portugal outside the "Straits," 17 shillings per quintal inside the "Straits," and 29 shillings per quintal to Italy. The rates prevailing for war risk insurance to Spain and Portugal outside the "Straits" are 8 per cent., to Gibraltar and ports in Spain inside the "Straits" 10 per cent., and to Italy about 15 per cent., so that the exporter is faced to-day with very heavy advances in the cost, in the insurance and in the freight. It is apparent that with fish at to-day's prices, with these heavy rates of insurance and freight, and with the prepayment of freight, that cargoes represent a very large investment when leaving port.

In September, 1916, for the first time, Portugal gave the Colony the benefit of the most favoured nation treatment under its Customs regulations. The duty on Newfoundland codfish has accordingly been reduced by about two shillings per quintal and is now the same as that on Norwegian fish, which previously had an advantage over the Newfoundland product.

Cod oil which sold in the year 1916 at \$180 per tun of 236 Imperial gallons, now brings \$230 per tun. In 1916 the total yield was 250,000 gallons of medicinal oil of good quality, the largest amount in the history of Newfoundland, and this year the yield should show an increase. It is also gratifying to be able to state that the quality of the oil exported under government inspection is admitted by competent authorities abroad to be equal to that of the best Norwegian product.

Exports of herring during the year ending last June were valued at \$1,142,212, as compared with \$1,089,401 the previous year. The fishing season is just beginning and no figures as to the catch are available, but it is expected that it will be about the same as that of last year. The United States and the British West Indies are the principal customers of the Island for this commodity.

The results of the seal fishery for the past year were not as satisfactory as those of the previous year. In 1916, 241,302 seals, valued at \$642,463, were caught and in 1917, 196,228 seals, valued at \$516,716.

The following are the figures for the export of lobsters in the fiscal years 1916 and 1917:

| 1916 | | 1917 | |
|--------|-----------|-------|-----------|
| Cases | Value | Cases | Value |
| 10,491 | \$148,303 | 6,505 | \$107,503 |

A gradual change is taking place in this industry, and green fish are now exported in large quantities to the United States, one company alone having exported ten million pounds in this condition. There are now cold storage plants at St. John's and Bay Bulls, and as others will probably be erected at various points it is confidently expected that exports of this character will eventually reach large figures. As lobster fishing may be carried on in the winter months and the fish have not to be cured, the industry should prove a large source of income to the fishermen.

Exports of iron ore for the year 1916 were 834,310 tons, valued at \$917,741; and for the year 1917, 902,380 tons, valued at \$992,618. Pulp exports were 27,413 tons, valued at \$351,072, as against 22,892 tons, valued at \$197,608, in the previous year. Exports of paper, however, amounted to only 33,389 tons, valued at \$1,510,440, as against 62,527 tons, valued at \$2,801,769, for the previous year. This industry also was adversely affected by the shortage of labour and of tonnage.

Turning to the internal trade of the Colony, there has been a marked expansion in the business of the outports and an increasing number of firms are now exporting their own produce. This tendency is a healthy one and indicates increased enterprise and progress. The cost of foodstuffs, dry goods, hardware and, indeed, of every kind of commodity, has risen considerably; nevertheless, there has been

an almost complete absence of serious business failures, and any hardships incidental to the rise in prices have fallen upon those who are dependent upon fixed incomes. Wages and salaries in the mercantile establishments have been, in many cases, raised to enable employees to meet these abnormal conditions. Not unnaturally, the general prosperity has developed a tendency to over-trade and credit is too freely given.

The exports for the years ending 30th June, 1916, and 30th June, 1917, may be classified as follows:—

| | 1916 | 1917 |
|--------------------|--------------------|--------------------|
| The Fisheries..... | \$13,740,894 | \$17,651,001 |
| Agriculture..... | 16,110 | 11,951 |
| The Forest..... | 896,875 | 686,157 |
| The Mine..... | 1,034,930 | 1,256,242 |
| Manufactures | 3,142,642 | 2,600,623 |
| Miscellaneous..... | 138,042 | 175,788 |
| | <hr/> \$18,969,493 | <hr/> \$22,381,762 |

These figures show an increase of \$3,412,269 for 1917.

The Customs returns show that the imports of Newfoundland during 1915-16 were valued at \$16,427,336, and during 1916-17 at \$21,318,310, and that the Customs revenue for 1915-16 amounted to \$3,950,688, and for 1916-17 to \$4,470,537, an increase of \$519,849. It should be noted that the value of the exports is a million dollars more than that of the imports.

The revenue for the fiscal year 1915-16 was \$4,600,271, and for the year 1916-17 \$5,206,637, an increase of \$606,366. On the other hand, the expenditure for the year 1915-16 amounted to \$4,110,885, and for the year 1916-17 to \$4,554,890, an increase of \$444,005. The net funded debt of the Colony in 1915-16 was \$32,230,405, and in 1916-17 \$34,489,765.

Prohibition came into force with the New Year. It is estimated that the annual expenditure on intoxicating liquors had previously been \$1,500,000, from which the Government derived a revenue of \$400,000 per annum.

To provide increased sources of revenue an Act was passed during the year imposing a tax of 20% on all profits over the sum of \$3,000. This met with much opposition in the capital, where it was felt that the fishermen, who are now prosperous, should share the burden of the additional taxation.

During the year a Food Controller was appointed. It is feared that there will be a shortage of flour, tea and sugar, and all freight rates are excessively high, while the coal situation is likely to be a matter of grave concern. The potato crop will exceed 2,500,000 bushels; this is about twice the amount of the ordinary annual consumption, but unfortunately the potatoes are badly affected by blight.

In closing, we cannot refrain from mentioning the contribution of Great Britain's oldest Colony to the carrying on of the war. Over 6,000 of our young men have gone to the front, and that they have upheld the honour of their country goes without saying. Their absence is keenly felt among us. Of the first draft of 500 men, only four or five are now in active service, and the problem of keeping the Newfoundland representation up to strength is becoming more and more difficult.

MARITIME PROVINCES

Farming in the Maritime Provinces was handicapped by the shortage of labour, but in 1917 everyone did his utmost and the result probably exceeds anything in the previous history of this part of Canada.

Reports from Prince Edward Island, which is essentially a farming community, are of a cheerful nature, and show that the farmers are giving increased attention to tile drainage, the use of fertilizers, spraying, co-operative selling and the improvement of their breeds of live stock. The silver fox business is now on a sounder basis, and at present valuations the ranches are a substantial asset, the

prices of live animals and pelts representing a very fair profit. The market for breeders is always widening, sales having recently been made so far away as Japan. The car ferry between Port Borden and Cape Tormentine in New Brunswick is now in operation, and the saving in time and the handling of goods will be very considerable.

In New Brunswick the weather has been somewhat fickle throughout the season, and the returns from agriculture, although fairly remunerative, were perhaps not commensurate with the widespread effort to increase production. The crop of potatoes was below the average, although it is estimated that 2,600,000 bushels will be available for export. Oats and apples were also below the average, but hay, root crops and small fruits were abundant. Considerable attention has been given for some years past to live stock and dairying, though the progress made has not been altogether encouraging.

Nova Scotia does not suffer by comparison with her sister provinces. There has been a measure of progress in all departments of agriculture, and, where the yield of apples and potatoes is exceptionally good, the result is attributable to timely and systematic spraying. The surplus yield of potatoes is estimated at 2,000,000 bushels, and that of apples at 550,000 barrels; the principal market for the latter has been found in Ontario and good prices have been realized. The attention which for several years has been given to the cultivation of wheat is now showing some results, and the province is approaching the point at which it will be able to produce most of its own flour. To raise all its own meat is an easier matter, and we trust that before long this object also will be attained. Encouraged by the prizes offered by the Halifax Board of Trade, the farmers have rivalled each other in increasing the acreage under cultivation and in improving their methods. The experiment has been so successful that it is hoped it will be continued. During the past season demonstrations

of tractor ploughing were given at different points, and as a result a larger acreage than usual was ploughed last fall.

There were no forest fires of consequence during the year. The lumber cut in these provinces in 1916-17 was estimated at 700,000,000 feet, or about 25 per cent. below the average of the past six or seven years. The cost of production was 40 per cent. greater than the average for the same period, nevertheless the manufacturers who were able to make deliveries have secured a fair margin of profit. In 1913, the year before the war, spruce deals alongside a vessel in a Maritime Province port cost about \$12 per thousand and were sold for about \$16. This year the cost was \$15 and the selling price \$21. The manufacturing cost of boards and scantling is, as a rule, about 10 per cent. more than that of deals, and the selling price is generally about \$2.50 per thousand feet less, except in the case of good pine boards. The latter are worth at the time of writing about \$23 per thousand loaded on cars for export to the United States. It was impossible this year to ship deals to England on private account, excepting in small odd steamer lots and, early in the season, by sailing vessels. The latter cannot now be chartered at all because of the submarine menace, and for several months transatlantic shipments of all kinds have practically ceased. As a result we estimate that 40 per cent. of the season's cut of spruce deals is still on hand, but of this amount at least one-half has been paid for, and is being held for account of the British and French Governments. When navigation on the St. Lawrence is closed, shipping space for these stocks may become available on liners from Atlantic ports. The general situation led manufacturers to look to the American market, and more lumber found its way there from these provinces in 1917 than for many years. The demand, especially in late months, has been good, the larger part of our exports being required for military purposes. The immediate outlook in the American trade is very fair, but, at the

same time, that market conducts its business more or less on a hand-to-mouth basis, and our lumbermen will be wise to manufacture only to fill definite contracts. The situation which at the present time confronts the trade is therefore one calling for unusual care. The English yards are bare of spruce deals and the trade requirements on that side are urgent, but everything depends on the action of the British Government. In this connection a leading authority in Liverpool writes as follows: "Importers are finding their trade rapidly diminishing, and Government restrictions are a stranglehold which cannot be loosened. The prospects of an early improvement in these conditions are not hopeful." No tonnage was available for shipments of pit-props and so none were cut in 1917. There was no reduction in exports of pulp and pulpwood, which were all marketed in the United States. Shipments were made altogether by rail and prices yielded a satisfactory profit.

The fishing industry has enjoyed great prosperity. Weather conditions have been favourable, the catch has kept up astonishingly well, and, so far as the shore fisheries are concerned, the quantity of fish handled in the past season was double that of 1913. Instead of only one trawler being employed, as before the war, four steam trawlers have been in operation, each landing an average quantity of 150,000 pounds of fish per week. This was naturally an important factor in the increase, but it must be added that the fishermen themselves everywhere put forth an earnest endeavour and they are deserving of great credit for the splendid results. The increased production has been easily absorbed by the overseas demand. The Canadian Government has exported 450,000 pounds of fish monthly and the shipments for the Imperial Government have averaged over 1,000,000 pounds per month, the shipments including all kinds of edible fish. The domestic demand for smoked and frozen fish has been above the average and is steadily growing, fostered by

the valuable campaign of education conducted by the Canadian Fisheries Association. The competition from American buyers is becoming keener, and as a result prices in some instances have gone up 100 per cent.

Similar prosperous conditions have prevailed in the dry and pickled fish industry. Prices have been high and steady. The Lunenburg county fleet, altogether comprising only ninety-five vessels, the smallest number in many years with one exception, has had the largest catch in its history. The owners of many of these vessels earned 100 per cent. on their investment, and the crews fared proportionately well. Most of the dried cod was marketed at upwards of \$10 per quintal, and prices of all grades of pickled fish showed advances of about 50 per cent. over those of 1916. The possibilities of this trade are limited only by the difficulties of transportation. The outlook for 1918 is distinctly good; and as our exporters are confining their shipments to the West Indies and the United States, where very prosperous conditions prevail, they will get quick returns with a minimum of financial risk. Owing to the cessation of imports from the Scandinavian countries, there are at present unusual opportunities of extending our trade in dried fish with Brazil and other South American countries.

The lobster fisheries turned out very well, the pack of canned lobsters being valued at \$3,500,000 and those sold in the shell at \$1,500,000, a total of \$5,000,000. Although the embargo imposed by the British Government permitted the importation of only one-half the usual amount of these canned goods, the whole pack was readily disposed of, part going to France, and more than the usual quantity to the United States. Sardines brought extraordinary prices, large quantities being sold at \$20 to \$40 a hogshead, although formerly \$10 was considered a high figure. The oyster beds of Prince Edward Island are not as productive as formerly, but the cause of the deterioration is unknown.

The scarcity of labour was felt in coal mining perhaps more than in any other industry, but the production was not so unsatisfactory as had been feared. The output of the Nova Scotia collieries rose from 6,379,463 tons in 1915 to 6,496,472 in 1916, but the quantity mined last season did not exceed 5,800,000 tons, with 100,000 tons on bank. The properties in regular operation are being maintained in efficient condition and an effort is being made to reopen the colliery at Mabou, which has been closed down for some time. The mine at Port Hood is again in operation, another has been developed at Thorburn, Pictou county, and small ones at six different points in Cumberland county. The Minto coal district in New Brunswick is being steadily developed. The most regrettable result of the decrease in the output is the temporary loss of the St. Lawrence River market, which is now supplied by the United States. This market in past years absorbed fully one-third of the total production of the Nova Scotia collieries. The consumption in the Maritime Provinces in the meantime has increased to a point which approaches the output. There has been some increase in the production of manganese and molybdenite in Lunenburg county, but otherwise, as regards mining, there is nothing of importance to report.

Wood shipbuilding in the Maritime Provinces is yet far below the high-water mark of the industry in the good old days of thirty-five or forty years ago, when it was said the traveller going round the coast was never far from a shipyard. The recovery from the dullness of recent years, however, is remarkable. In 1916 some sixty vessels of all sizes were built, aggregating 12,000 tons and costing \$1,200,000. This year upwards of seventy vessels have been fitted out for sea, registering about 20,000 tons and costing \$2,500,000, while it is estimated that 13,000 tons are at present under construction in the yards. This is a gratifying proof of the historic aptitude of the people of

the Maritime Provinces for this industry. The cost of building has advanced 30 per cent. since last year, but the demand for vessels has been so pressing that the builders have been able to dispose of them at profits of from 25 per cent. to 50 per cent., and in some cases even of 75 per cent. There is as yet no evidence that the boom is receding, but next year caution will be required. The situation is very different with regard to steel ship-building. The vessel under construction in 1917 in the yards of the Nova Scotia Steel & Coal Company, Limited, New Glasgow, was successfully completed and is now in commission. A second and a larger one is well under way, and a third has been laid down. The industry has received much attention in other quarters. The Government of Nova Scotia, realizing the crisis in ocean shipping and its own responsibility as representing a maritime community, obtained from the Assembly legislative authority to assist to the extent of \$2,000,000 any practicable scheme for the extension of the industry within the province, and a Commission was appointed in May, which has been carrying on negotiations with important interests, both in the Old Country and in Canada, with the object of establishing the industry on a permanent basis. It was found that the world-wide demand for ships' plates made it impossible to establish a new shipyard in Nova Scotia, and that the time was not opportune for extending the operations of the local steel companies to the rolling of plates. However, negotiations are still pending, and it is earnestly hoped that the day is not far distant when these provinces will be contributing their quota of steel ships to the Canadian mercantile marine and to the transportation facilities of the Empire. In this connection popular opinion would favour a liberal policy of assistance on the part of the Dominion Government.

The large steel companies at Sydney and New Glasgow were obliged to make certain adjustments as a result of

the cancellation of shell orders, but this was soon offset by the good demand for other iron and steel products. The production of both companies has been as large as in any previous year, and all indications point to an active and profitable business in 1918. Both companies are making important enlargements and improvements to their plant, and are prepared to take care of any business that offers, with the exception of ships' plates. In view of the scarcity of labour, these results reflect much credit on the management of the companies and on the employees.

The abundant prosperity prevailing led to the free circulation of money, and to safe and active trading. Mercantile failures have decreased largely in number, and where collections have not been satisfactory the cause must be attributed to lax methods. In a general way wages have advanced in proportion to the cost of living, but people with fixed incomes are finding it hard to make ends meet. In the provincial towns, for reasons of economy, no avoidable permanent improvements are being made, but the general upkeep is not neglected, and the amount of building did not fall far short of that of normal times. The life insurance companies report a large volume of new business, the loan companies have few, if any, arrears, and the deposits in the banks have reached record figures. The bank clearings for the twelve months ending 31st October, 1917, were \$259,000,000, or an increase of 25 per cent. over 1916. Buildings of a good class have been erected in both Halifax and St. John, and real estate values reflect the prosperity of the times. The shipping business incidental to the war has reached large proportions and has brought unusual prosperity, as well as considerable prominence, to both these ports. The number of vessels cleared was about 9,000, registering not less than 20,000,000 tons. The value of the goods landed was upwards of \$30,000,000, and that of the merchandise shipped was not less than \$300,000,000. War business, of

course, figured largely in these items, but ordinary trade was well maintained.

QUEBEC

There has been no diminution in the general prosperity of the Province of Quebec which we reported a year ago. The tide of business during 1917 has reached a very high level and the volume of trade has exceeded all past records. Manufacturing operations have been conducted on an unprecedented scale and, notwithstanding the greatly increased cost of materials and labour, the results have been very satisfactory. Though the field crops generally did not turn out quite as well as it was hoped, the extremely high prices obtained for every kind of farm produce, with the exception of hay, compensated the farmers in great measure for any shortage which there may have been in yield. The very wet and cold spring delayed seeding operations and all crops were affected, particularly those on low lands. The continuous rainy weather during June and July retarded the growth of grain, and field crops in general suffered from the excessive humidity and great heat at the end of July and in August. Harvesting conditions on the whole were unfavourable.

The Bureau of Statistics for the province has issued the following estimate of the yield of grain crops in Quebec in 1917. This is the first bulletin of the kind which it has published.

| | Acres | Bushels | Per Acre |
|-----------------------|-----------|------------|----------|
| Wheat..... | 277,409 | 3,953,078 | 14.25 |
| Oats..... | 1,492,709 | 33,959,129 | 22.75 |
| Barley..... | 165,597 | 3,311,940 | 20. |
| Flax..... | 5,726 | 68,712 | 12. |
| Rye..... | 22,454 | 443,466 | 19.75 |
| Peas..... | 66,457 | 897,169 | 13.50 |
| Mixed Grains..... | 122,819 | 3,070,475 | 25. |
| Beans..... | 55,157 | 841,144 | 15.25 |
| Buckwheat..... | 163,577 | 2,821,703 | 17.25 |
| Corn for Husking..... | 143,369 | 3,297,487 | 23. |

The figures of the acreage and yield in each case exceed the estimates of recent years to such an extent as to indicate

that the differences are due to a change in the method of collecting the information rather than to an actual increase in 1917.

The hay crop was large, but changeable weather during the haying season, together with the scarcity of farm labour, delayed operations and considerable damage resulted in many districts. The prices received were below those of any previous year since the outbreak of the war. The Provincial Bureau of Statistics estimates the value of the hay and clover crop this year at \$48,523,000 as compared with \$57,464,000 in 1916, the difference being mainly due to the decline in price.

The yield of oats and barley was under the average. The wet weather delayed seeding in many instances, and the continued heavy rains during the summer caused such a rapid growth that the grain lodged and did not fill properly. Owing to the backward season much of the land that was intended for oats and barley had to be sown to buckwheat and forage crops, although even then the yield of buckwheat was smaller than in 1916. Comparatively little wheat is grown in this province, but owing to the present high price of flour more attention is being given by farmers to the production of wheat for home consumption.

The root crops generally were about an average with the exception of potatoes, which, in some parts of the province, were a complete failure. Many farmers did not even save their seed and have had to buy potatoes for their own requirements. This result was especially disappointing in view of the largely increased acreage under cultivation. Tomatoes were a poor crop, as the season was late and a large percentage did not ripen.

The apple crop was almost a failure, though in some districts the yield from a few orchards which had received unusual care and attention was fairly good. The percentage of No. 1 apples was small, and high prices were obtained for all of good quality. The crop of small fruits was fairly satisfactory and brought average prices.

Although there was no increase this year in the acreage of tobacco planted, the yield is estimated at about 1,500,000 pounds more than last year. The conditions were not promising in the spring, but during the summer the weather was very favourable and the plants developed splendidly. The process of drying in the sheds was also carried on under very satisfactory conditions. The high cost of imported leaf tobacco has led to a marked increase in the use of home-grown tobacco in cigar factories in Canada, causing a sharp advance in prices, which are now nearly double those of last year.

The production of maple syrup and maple sugar in the province during the spring of 1917 was slightly in excess of that of the previous year. The quality was excellent, and the prices paid to the farmers were from 20 to 25 per cent. higher than in 1916. The remainder of the crop is practically all in the hands of dealers and, owing to the great demand, the present supply will be entirely exhausted long before next season's crop is produced. One large dealer recently filled orders aggregating 125 tons (500,000 half pound cakes) of maple sugar for shipment to the soldiers overseas.

The results of dairying have been very satisfactory, prices ruling unusually high throughout the year for butter, cheese and cream. The growth of the pastures was very backward in the spring, but the frequent rains kept them in the best of condition during the summer, resulting in a very large flow of milk and a consequent increased output from the creameries. The price of cheese at the factories averaged about $20\frac{1}{2}$ cents throughout the season. All the cheese exported from Canada this year has been taken on behalf of the Government by the Cheese Commission, who control the freight space and the price, the latter being fixed at $21\frac{3}{4}$ cents for No. 1 quality, $21\frac{1}{4}$ cents for No. 2, and $20\frac{3}{4}$ cents for No. 3, delivered on board steamers here. The opening price for butter at the factories in May was 42

cents; it dropped to $33\frac{1}{2}$ cents at the end of June, and gradually advanced until it reached 46 cents in October. It dropped again, however, to 42 cents at the end of October on the announcement of the removal of the restrictions regarding oleomargarine. The shipments of milk and cream to the United States continue on a large scale, and a good deal is also being used by the condensed milk factories.

Conditions this year have been favourable for live stock, owing to the abundance of grass, and the prices obtained for all kinds of cattle have been unprecedented. The farmers are realizing to a greater extent than ever before the advantages of mixed farming and they are giving more attention to raising cattle. The high prices of butter and cheese have made it very profitable for the farmers to increase their herds, and the large crop of hay has provided ample food to carry live stock over the winter. There is a steady improvement in the dairy cattle in this province, which is doubtless due to a great extent to the assistance given by both the Federal and Provincial Governments in supplying thoroughbred sires. There has been an active demand for any milch cows which have been offered for sale. Ordinary milch cows readily brought as high as \$100 at farmers' sales in the early spring months, and good grade cows sold as high as \$125 to \$150 per head. Quebec is essentially a dairy province and the proportion of beef cattle raised is comparatively small. The number of cattle marketed during the past year is not large. Beef cattle have brought record prices and towards the end of May steers sold as high as 13 cents per pound. "Canner" cows, which, under ordinary pre-war conditions, would have sold at 2 cents per pound, or from \$12 to \$15 per head, are now bringing 5 cents to $5\frac{1}{4}$ cents per pound, or from \$30 to \$40 per head. In common with all other live stock, calves brought fancy prices, the number marketed being about the same as in other years. Most of those sold in Montreal have

been exported to the New England and New York markets.

Farmers are raising sheep more extensively each year, and there is a steady improvement in the quality of the lambs bred in the province. This industry is very profitable, as, in addition to the value of the meat, very high prices are obtained for wool, which is in urgent demand. Although it was thought that the record had been reached last year when lambs sold at $9\frac{1}{2}$ cents to $10\frac{1}{2}$ cents per pound, prices this year have ranged from $13\frac{1}{2}$ cents to 16 cents per pound, and at one time rose to 17 cents.

It is regrettable to note that there is still very little progress being made in the raising of hogs. While the quality of the hogs is better now than it was five years ago, there has not been any marked increase in the number offered for sale. The highest price at which hogs sold in Montreal this year was 19 cents per pound, which was reached in August.

The market for horses of all kinds is inactive and consequently very few colts are being raised. Several inspections of horses for military purposes were made in the spring but few sales were effected.

According to the figures given in the September bulletin issued by the Census and Statistics Office of the Department of Trade and Commerce, the estimated number of live stock in the province for the year 1917 shows a very marked increase over 1916. While there has probably been a substantial addition to the number of cattle and sheep, the disparity in the figures is again doubtless largely due to the change in the method of collecting the information. The following are the figures:

| | 1916 | 1917 |
|-------------------|---------|---------|
| Horses..... | 332,628 | 379,276 |
| Milch Cows..... | 639,805 | 911,023 |
| Other Cattle..... | 535,693 | 958,010 |
| Sheep..... | 497,711 | 849,148 |
| Swine..... | 531,303 | 712,087 |

The past year has been one of marked prosperity in the asbestos mining industry, and the record prices of 1916 have

been exceeded, the advance in the average price ranging from 40 to 50 per cent. Mining operations were rendered difficult and dangerous by the heavy and continuous rains during the best part of the season, and the output was greatly curtailed by the scarcity of labour. Notwithstanding these drawbacks the mining companies were able to ship, during the first ten months of the year, over 14,000 tons more than during the same period of 1916, which, coupled with the higher prices realized, represents a very substantial increase in the returns received by the producers. The advance in prices, however, has been largely offset by the greater operating cost due to increased wages and higher cost of machinery and supplies. The total value of asbestos produced in the province in 1916 was \$5,182,905, and the output this year is estimated to exceed \$6,000,000.

The prevailing high prices have stimulated the copper industry. Although a good deal of prospecting has been done during the year and some fresh deposits have been found, very little new development work has been carried on. The two most important copper mines are at Weedon and Eustis, both of which have been actively worked during the year. In 1916 the shipments of sulphur and copper from the province were valued at \$1,256,064. The figures for 1917, which are not yet available, will doubtless exceed those of 1916. The production of chromite appears to have reached its highest point in 1916, and while the industry is still active the output of the mines is now falling off, and unless other deposits are discovered it seems likely that the production will continue to decline. The price of chromite at present is the highest on record. Quotations for ore f.o.b. Thetford, Black Lake or Coleraine, range from \$21 for 25 per cent. sesquioxide to \$64 for 50 per cent. (concentrates) per ton of 2,240 lbs. Before the war chromite was quoted in New York at \$14.50 per ton for 50 per cent. ore. The demand for molybdenite has stimulated prospecting and development, but the only production of importance in this

province is from the Moss mine in the Township of Onslow, which was probably the largest single producer of molybdenite in the world in 1916.

The cut of lumber this year in the Province of Quebec was from 30 per cent. to 40 per cent. smaller than that of 1916. Unfavourable logging conditions last winter, together with the great scarcity of labour, contributed to the decrease. Another reason is that a number of firms which ordinarily manufacture both lumber and pulpwood have been converting all their spruce logs into pulpwood. The position of the lumber industry at the present time is unsatisfactory as far as the manufacturer is concerned, owing, principally, to labour conditions and to the excessively high cost of everything used by the lumberman. The effect will be to curtail logging operations again this winter and to reduce the output of lumber for 1918. The export trade to Great Britain has been very light owing to the lack of tonnage. There has been a good demand for Canadian lumber in the United States, but shipments to that country have been hindered by the car shortage. The market in Canada for manufactured lumber has been quiet on account of the inactivity in building operations and the temporary falling off in the demand for munition boxes. The demand for lumber, however, has been better than in 1916 and prices have ranged from 20 per cent. to 30 per cent. higher.

There has been a great demand for pulpwood from the Canadian mills and also from the American market, and buyers are paying from \$8 to \$12 per cord for unbarked wood and from \$14 to \$20 for peeled wood f.o.b. cars. Owing to the very high prices offered, a much larger quantity of wood than usual is being cut from private lands. Ground wood pulp sold in the early part of the year at \$42 per ton, an increase of \$22 over pre-war prices. Owing to the abnormal rainfall this year, pulp mills have been able to operate to the fullest extent, with the result that there are large stocks

on hand and at present ground wood pulp can be purchased at \$27.50 per ton f.o.b. shipping point.

The pulp and paper industry continues to be in a very prosperous condition, and the mills making newsprint paper have been running throughout the year to full capacity, the machines being operated twenty-four hours daily for six days of the week. The greatest efforts have been made to meet the ever-increasing demand for this class of paper from home and foreign markets, yet the demand still exceeds the output. Very great difficulty has been experienced in obtaining chemicals and other supplies, and the cost of all materials entering into the manufacture of paper has increased considerably and is still advancing. It remains to be seen how the manufacturers' profits will be affected by the Government's action a few months ago in fixing at \$50 per ton the price of newsprint paper supplied to the Canadian trade. The result of the recent official investigation into the cost of producing this grade of paper shows the average cost of all of the mills in Canada to be \$57.33 per ton, which means a loss to the manufacturer of \$7.33 on each ton sold in Canada. It is apparent that were it not for the higher prices obtained for paper sold in the American and other markets, ranging from \$60 to \$65 per ton f.o.b. at the mills, the Canadian manufacturer would be compelled to operate at a loss or to close down. Orders for paper have shown a marked decrease in all lines except newsprint during the last six months, and dealers appear inclined to restrict their buying to immediate requirements.

The shipbuilding industry has been very active during the year at Montreal, Quebec, Levis, Three Rivers and other points in the province. It is not possible to obtain complete statistics for the current year, but the following information has been furnished regarding the operations carried on at the important naval construction works of Canadian Vickers Limited, Montreal:—The company has built and delivered during 1917 twelve submarines for Allied

Governments, eight steel trawlers complete with machinery and boilers, nine steel trawler hulls, twenty-six wooden drifter hulls, and machinery and boilers have been installed in sixteen drifters. There has also been built and launched at the company's works a 7,000 ton cargo boat, the largest ocean-going steamer ever built in Canada. Other ship-yards in the province have been actively engaged during the year, under contract with the Imperial Munitions Board, in the construction of wooden vessels with steam propulsion, and orders continue to be given for this class of vessel. In addition, a number of wooden trawlers have been built for the Canadian Government. The first self-propelled reinforced concrete ship ever constructed on this continent was successfully launched in November at the plant of the Montreal Dry Docks & Ship Repairing Company Limited. The steamer, which was completed in about seven weeks, is 126 feet long and has a capacity of 300 tons.

The total value of the sea and inland fisheries of the Province of Quebec for the statistical year 1916-17 amounted to \$2,911,624 as compared with \$2,076,851 for the preceding year. The increase shown is due almost entirely to higher prices. The figures do not take into account the large quantities of fish caught by vessels coming from other provinces and from the United States.

The tonnage of the vessels using the Lachine Canal during the season of navigation just closed was 3,335,943, which is 70,921 tons more than the figures of 1916. Although there was an increase of 2,267,517 bushels in the quantity of wheat, there was a decrease in every other kind of grain. The total quantity of grain carried was 19,350,352 bushels as against 25,168,452 bushels in 1916, or a decrease of 5,818,100 bushels. This decrease was more than offset by the increase in coal, of which 1,940,310 tons were carried this season as compared with 1,674,899 tons in 1916, an increase of 265,411 tons.

During the season 6,342 inland vessels, having a total tonnage of 3,233,076, arrived at Montreal, as compared with 7,297 vessels, with a tonnage of 3,558,872, in 1916. The number of ocean vessels arriving was 579, with a total tonnage of 1,984,233, as against 698 vessels last year having a total tonnage of 2,134,456.

At the time of writing this report complete statistics of the exports from Montreal for the season of 1917 are not available. The following information, however, has been obtained from reliable sources, and shows the volume of exports of each kind of grain during 1916 and 1917 from Montreal:

| | 1916 | 1917 | Decrease |
|-------------|------------|------------|------------|
| | Bushels | Bushels | Bushels |
| Wheat..... | 35,462,656 | 34,824,814 | 637,842 |
| Oats..... | 26,216,786 | 13,494,068 | 12,722,718 |
| Barley..... | 4,000,120 | 2,619,811 | 1,380,309 |
| Corn..... | 5,201,056 | 1,797,114 | 3,403,942 |
| Rye..... | 685,406 | 182,079 | 503,327 |
| Peas..... | 23,022 | 3,586 | 19,436 |
| | 71,589,046 | 52,921,472 | 18,667,574 |

The exports of oats in 1916 were abnormally large, owing to the very heavy shipments of over 21,000,000 bushels on government account. The exports of 1917, though smaller than those of 1916, were, nevertheless, larger than those of 1915. The shipments of grain this year were almost all on government orders, as very little space was available for private shippers.

The exports of flour this year amounted to 5,873,934 sacks as compared with 4,575,989 sacks in 1916. Shipments of cheese amounted to 1,675,902 boxes as against 2,142,699 boxes last year. Owing mainly to lack of vessel space, shipments of lumber have fallen off considerably, the total this season being only 39,429,497 feet board measure as compared with 104,698,013 feet board measure in 1916.

The real estate market continues inactive and conditions do not differ materially from those of the last few years except that there has been a better renting demand this fall

for small houses and apartments. Very few houses have been built for renting purposes for some years past and, as the urban population continues to increase, the demand will doubtless soon exceed the present supply. Fewer shops are vacant than a year ago, but business properties are not easy to sell and, where sales have been forced, the prices obtained have been very considerably below those current before the war. Improved farm property has been in demand and prices have been well maintained. The registered transfers of real estate in Montreal and the adjoining municipalities for eleven months of the current year indicate that the total for 1917 will be about the same as in 1916, when the sales amounted to \$42,738,532. In the year 1912 the registered sales amounted to \$165,237,958, and from that time the speculative element has been diminishing and prices of real estate have steadily declined. It is thought, however, that liquidation has about run its course and that real estate values are now on a reasonably safe basis.

Prosperous conditions have prevailed throughout the year in almost all manufacturing industries and present prospects are for a continuance of activity. In addition to new contracts awarded by the Imperial Munitions Board, orders have been received for equipment for the United States Army. Wholesale and retail trade has increased in volume and collections have been very satisfactory. The high price of commodities is a matter of grave concern to manufacturers and dealers, owing to the cost of the heavy stocks of merchandise which it is necessary to carry under present conditions of trade. There would seem, however, to be no immediate prospect of a recession in prices, and in many lines the tendency is to advance still higher. This condition is one which emphasizes the wisdom of reserving ample profits to provide against the collapse in prices which must take place sooner or later.

While a certain degree of economy has doubtless been enforced by the exceedingly high cost of the ordinary

necessaries of life, evidences of voluntary thrift are not generally apparent and there is no lessening of the demand for luxuries, such as jewellery, expensive furs, pianos, automobiles, etc. The astounding success of the Victory Loan campaign and the wide distribution of the subscriptions would seem, however, to indicate that the people in Canada generally are beginning to realize the importance of saving. The individual effort in this direction necessary to pay for the bonds may prove a valuable lesson to many, and should help to check the tendency to extravagance which has been developed by the prevailing prosperity.

ONTARIO

When reviewing the course of business for the past year, it should be constantly borne in mind that the large measure of prosperity which the people of Ontario continue to enjoy is almost wholly attributable to the extraordinary requirements created by the war. The increasing demand for commodities of almost every description stimulated production throughout the year and unceasing activity has characterized practically every important branch of industry in the province. Agricultural returns are above the average, manufacturing results are most satisfactory, the mining output has been large and business conditions generally are sound; in fact, substantial progress has been made towards placing many industries, both old and new, on a basis which should enable them to meet successfully the keen competition for trade which is anticipated after the conclusion of peace.

The partial failure of the crops of certain staple commodities last year forcibly directed attention to the necessity of increasing production on a substantial scale, and to this end a vigorous campaign was inaugurated by the Organization of Resources Committee. An interesting departure this year was the assistance tendered farmers by the Ontario Government by way of seed grain loans to encourage increased planting, the banks being authorized

to grant loans up to \$200 to any one farmer for this purpose. All these efforts combined to increase materially the acreage planted, despite a cold, wet spring which retarded seeding and in certain sections prevented farmers from getting on the land until it was too late to sow the early grains. More seasonable weather prevailed during the summer months, resulting in a rapid growth, although continuous dry weather in some districts tended to affect pasturage adversely. An early frost in September was the cause of much loss and the harvesting operations were protracted owing to unfavourable weather and scarcity of labour. In July a vigorous campaign was launched by the Citizens' Committee to secure labour from the urban districts to assist the farmers in harvesting their crops, and the results were fairly satisfactory. On the whole, the crop was saved under fairly good conditions and the following figures of the acreage and yield of the more important field crops supplied by the Ontario Department of Agriculture show a substantial increase in many instances over those of the previous year:

| | Acres | 1916 Bushels | Per acre | Acres | 1917 Bushels | Per acre |
|------------------------------------|------------------|-----------------|-------------|------------------|-----------------|-------------|
| Fall Wheat . | 704,867 | 14,942,050 | 21.2 | 585,946 | 13,384,207 | 22.8 |
| Spring Wheat | 144,305 | 2,213,961 | 15.3 | 182,957 | 3,679,516 | 20.1 |
| Barley..... | 527,886 | 12,388,969 | 23.5 | 551,298 | 18,387,741 | 33.4 |
| Oats..... | 2,689,762 | 71,297,528 | 26.5 | 2,763,355 | 111,232,817 | 40.3 |
| Rye..... | 148,738 | 2,354,410 | 15.8 | 133,077 | 2,222,325 | 16.7 |
| Buckwheat | 229,205 | 3,261,888 | 14.2 | 153,457 | 2,992,391 | 19.5 |
| Peas..... | 95,542 | 1,243,979 | 13.4 | 90,322 | 1,512,567 | 16.7 |
| Beans..... | 53,990 | 583,105 | 10.8 | 114,785 | 1,126,039 | 9.8 |
| Mxd.Grains | 485,986 | 13,297,354 | 27.4 | 515,593 | 20,102,421 | 39.0 |
| Potatoes... | 139,523 | 7,408,429 | 53.0 | 146,481 | 18,291,735 | 124.9 |
| Mangels... | 42,793 | 9,756,015 | 228. | 49,148 | 19,492,626 | 397. |
| Carrots.... | 2,391 | 331,124 | 138. | 2,920 | 758,292 | 260. |
| Sugar Beets | 22,482 | 6,023,938 | 268. | 22,039 | 6,781,113 | 308. |
| Turnips.... | 91,670 | 24,067,699 | 263. | 93,034 | 39,989,556 | 430. |
| Corn for husking.. | 258,332 | 12,717,072 | 49.2 | 258,935 | 11,513,512 | 44.5 |
| Corn for silos (tons) | 439,411 | 3,276,185 | 7.46 | 511,329 | 4,587,176 | 8.97 |
| Hay, Clover and Alfalfa (tons). | 3,471,984 | 7,200,047 | 2.07 | 3,547,688 | 6,619,296 | 1.87 |
| | <u>9,548,876</u> | | | <u>9,722,364</u> | | |

The total value of the crop at current prices is estimated to be in excess of \$330,000,000, as compared with \$260,000,000 last year, and represents an important addition to the wealth of the farming community. The estimated yield of fall and spring wheat exhibits a slight decrease in the number of bushels produced, chiefly due to the adverse conditions surrounding the growth of the fall wheat. The dry weather last autumn interfered with the preparation of the land, and the consequent late sowing resulted in the crop failing to winter well, thus causing many acres to be abandoned. The oat and barley crops were unusually fine and were harvested in good condition. The yields from other grains have been satisfactory with few exceptions. The hay crop was excellent and was harvested under the very best of conditions, in some districts a second crop being secured. About the same acreage was sown to corn as last year and it is to be regretted that the results were not more successful, the severe frost early in September devastating many sections of the country and resulting in only a partial crop of this grain. A large amount of ensilage was saved, although the reports indicate that silos in certain districts are only partially filled.

The acreage devoted to beans was over double that of last year, in a measure due to the lateness of the season, and it is unfortunate that this crop suffered severely from the early frost, although the returns as a whole are satisfactory. The yield of roots shows much improvement over that of last season, when conditions were generally unfavourable, and in this connection it is satisfactory to note the substantial increase in the potato crop. On low-lying land potatoes have not done so well and tend to exhibit poor keeping qualities. That no increase is shown in the sugar beet crop over last year is largely due to lack of labour. The importance of the root crops to the country cannot be over-estimated, and it is to be hoped that with the return to more normal labour conditions more attention will be

directed to them. The tobacco crop in Essex has been gathered in good condition and, while the yield has been somewhat smaller than that of last season, the returns are better, due to the increased acreage of the higher grades. It is satisfactory to note that further progress has been made in tiling and underdraining of farms, the wet spring and the resulting poor crops in certain districts having convinced farmers of the advantages to be gained from adopting this practice. Considerable impetus has been given to the cultivation of flax for fibre and seed, the introduction of a new pulling device assisting growers to recover the seed. There is a strong demand for the seed from Belfast, owing to the loss of the Russian supplies, and, if possible, arrangements will be made to ship some fibre as well.

The fruit crops of the province were only fair. A good deal of spraying was done, but the effect was more or less neutralized by the rainy weather in May and June. The wet weather also seriously affected the yield of strawberries, which originally gave promise of a large crop. The yield of apples was very light. The peach crop was fair and in some localities exceeded expectations. Tomatoes did not ripen satisfactorily and some of the small fruits suffered from the inclement season. As a result prices were high. The canning industry has suffered accordingly and a greatly reduced pack will result, in fact some canning factories report a reduction of 75 per cent. as compared with the pack of a normal year. The serious effect of this was recognized by the Food Controller and the sale of canned goods was restricted for a period.

Pasturage was somewhat affected towards the latter part of July by the extremely hot dry weather. Up till then, however, dairying conditions had been excellent and the production of milk for a time was such as to tax the capacity of cheese factories and creameries. The cheese factories have on the whole had a good season as regards both quantity and price, the latter having practically been

fixed at 21½ cents per pound by the action of the British Purchasing Committee. In some sections the cheese factories have experienced severe competition from the creameries and condenseries, the farmer finding it preferable to retain the skimmed milk as food for his hogs. In view of the abundance of fodder, the prospects for wintering dairying cattle and other live stock are encouraging.

The demand for cattle for the export trade during the past year reached unprecedented proportions with a corresponding increase in prices. In the fall of 1916 there was a liberal run of cattle and in November of that year prices were slightly lower than in the previous November. Beginning with December 1916, however, prices steadily rose until in May they reached a maximum of 17.96 cents per pound. Since that time prices have reacted somewhat, as is usual at this season of the year, owing to the marketing of grass-fed cattle. The average price, however, last October was 15.54 cents per pound as compared with 12.29 cents per pound in October 1916. Indications are that there will be a still further increase in the demand for beef next year, and it would seem that the situation is one which presents a most exceptional opportunity to the Canadian farmer—an opportunity not only to gain profit for himself, but to do his share towards supplying the armies in the field—a work of national importance at the present time.

The following statistics as to the number of live stock on hand in the Province of Ontario as on July 1st in each year are issued by the Provincial Department of Agriculture:

| | 1917 | 1916 | 1915 |
|--------------------|------------|------------|------------|
| Horses..... | 765,873 | 775,732 | 779,131 |
| Milch Cows..... | 1,069,338 | 1,045,029 | 1,022,518 |
| Other Cattle..... | 1,758,271 | 1,689,738 | 1,652,228 |
| Sheep and Lambs... | 956,986 | 908,066 | 908,095 |
| Swine..... | 1,664,639 | 1,735,254 | 1,769,295 |
| Turkeys..... | 439,215 | 557,929 | 674,494 |
| Geese..... | 389,659 | 408,046 | 416,414 |
| Ducks..... | 480,263 | 586,705 | 545,813 |
| Other Fowls..... | 12,297,155 | 12,825,164 | 12,636,370 |

As in the case of beef cattle, the enormous quantity of supplies required for the armies in the field has resulted in steadily advancing prices for hogs and hog products. There is now apparently a realization on the part of the Government that the shortage of meats in Europe is so acute as to warrant the fear that there will be a state approaching starvation on that continent unless supplies from this side can be increased. As a result, there is now an official campaign in progress to encourage the breeding of live stock, the present effort being directed particularly towards increasing the supply of hogs. Packers regard this as an excellent move and one which will undoubtedly result in increased production. In the United States the Government has set a minimum of \$15.50 for the average cost of Chicago hogs, live weight, and has also established prices for corn which bear a fixed ratio to the official price for hogs, this rate being such as to encourage farmers to feed corn to the hogs rather than to sell it.

The market for horses last year was uncertain and the demand fluctuating, being confined principally to the British Government, the French Government and the Canadian West. The prospects for 1918 are fair and there will doubtless be a strong demand from the Canadian West during the first three or four months of the year, particularly for heavy draft horses. It is anticipated that after the war there will be an active market for heavy draft and general purpose horses, and breeders should be encouraged to give preference to the production of this class rather than of light drivers and carriage horses.

The increase in the number of sheep indicates that more may be expected from this source, the price of wool encouraging the farmers to increase their flocks.

As we have indicated, the returns from all branches of agriculture have on the whole been most satisfactory notwithstanding a serious shortage of labour, and we go into

the winter with a slightly larger acreage sown to fall wheat and winter rye, a very considerable amount of fall ploughing completed, in the accomplishment of which the Government tractors have aided materially, increased herds and flocks, and the knowledge that prices are likely to be maintained, which should stimulate the farming community to still greater efforts next season. As in former years, farm labour has been scarce and such as is available is of an inferior kind, and it has become evident that the farmers must introduce more machinery in order to maintain efficiency and to save labour and expense.

The work of improving the roads of the province continues, but is not being pushed at present, owing to the scarcity of labour, the high prices of materials and general financial conditions. All but four of the counties, however, have established or are establishing systems of county roads and are taking advantage of the Highway Improvement Act under which the Province contributes 40 per cent. of the expenditure on construction and 20 per cent. of that on maintenance. Under this plan 8,200 miles have been designated for improvement, of which about 2,326 miles have already received substantial treatment. During the year the Provincial Legislature passed an Act known as the "Provincial Highway Act," which authorizes the construction and maintenance of a system of main highways throughout the province under the direct management of the Provincial Highways Department. The main artery of this system is intended to be a highway commencing in the vicinity of Windsor and extending easterly through Toronto to the Quebec boundary, with branches to Ottawa and to the Niagara River. The Toronto-Hamilton portion of this highway, which had been under construction for some years, was formally opened for through traffic on 24th October, although there still remain to be constructed a number of up-to-date concrete bridges to replace obsolete types now in existence.

For over two years after the outbreak of war the lumber trade of Ontario remained below normal, but considerable activity then developed with the increasing demand for military and manufacturing purposes, prices advanced and a steady improvement set in which has continued throughout the greater part of the past season. As predicted last year the scarcity of labour, high wages and the greatly increased cost of supplies tended to curtail the cut of logs, with the result that the output in the Georgian Bay district was much reduced. The first six months of the year were active ones, with a strong demand from the United States as well as from the home trade, principally for munition and other purposes, with the result that dealers in western Ontario are carrying over lighter stocks than in the previous year.

In the Ottawa Valley similar conditions have been experienced, although it is estimated that the cut will amount to 400,000,000 feet, compared with 375,000,000 feet in 1916 and over 450,000,000 feet in each of the two preceding years. This increase is due in a measure, it is stated, to the fact that the high water last spring brought down many logs left over from the previous season. The usual contracts for deals for the British market had been entered into before the placing of the embargo on lumber shipments overseas and, with the exception of a few orders for the Admiralty and on Government account, practically the whole stock, although paid for, remains on this side. The most important part of the trade is carried on with the United States, where an unusually brisk demand arose, owing to the requirements incidental to mobilization, and to the freight blockade preventing free deliveries of southern pine. The demand for rough lumber has enabled many yards to clean up much old stock. The home demand was good, especially for shell box lumber, but this slackened off towards the end of the year. Building and railroad

orders have been much below normal. The outlook, owing to high manufacturing costs, calls for the exercise of discrimination in the carrying of stocks, as there is the possibility that prices may fall as rapidly as they have advanced. The following figures of the lumber exports to the United States from the Ottawa Valley are an indication of the growing importance of that market:

| | |
|----------------|-------------|
| Year 1914..... | \$1,946,228 |
| “ 1915..... | 2,234,357 |
| “ 1916..... | 5,238,392 |

We understand that 1917 will show a further increase.

Steadily advancing prices during the past year for pulp and paper have been responsible for increased activity in these industries and the demand for our products has steadily increased, exports to the United States of pulpwood from the Ottawa Valley showing a marked growth. The possibilities of further development of the output of pulp and paper in that district, owing to its large potential supply of hydro-electrical energy, are worthy of attention.

The total value of the mineral production of the province for 1916 (metallic and non-metallic) was \$65,303,822, as compared with \$54,245,679 for the previous year. The increase occurs almost altogether in the value of metallic minerals, and is largely attributable to the high prices caused by the war. The following figures from the Bureau of Mines report for the nine months ending 30th September, 1917, indicate that notwithstanding the falling off in the output of gold, silver and copper, the aggregate value was about \$2,000,000 more than for the same period in 1916, largely due to increased prices for silver, copper and nickel:

| Product | Quantity | | Value | |
|-------------------------------------|------------|------------|--------------|--------------|
| | 1916 | 1917 | 1916 | 1917 |
| Gold, ounces..... | 363,955 | 343,490 | \$7,513,734 | \$6,754,535 |
| Silver, ounces..... | 16,203,091 | 15,236,002 | 9,750,040 | 12,001,875 |
| Cobalt oxide, lbs.. | 378,732 | 276,769 | 231,947 | 323,162 |
| “ metallic, lbs.. | 172,055 | 295,866 | 146,467 | 433,739 |
| Other cobalt and nickel compounds. | 57,026 | 276,217 | 22,890 | 30,025 |
| Nickel oxide, lbs.... | 54,152 | 10,831 | 6,381 | 3,025 |
| “ metallic, lbs.. | 17,435 | 166,921 | 7,618 | 67,499 |
| “ in matte, tons | 31,046 | 31,064 | 15,523,000 | 15,532,000 |
| Copper ore, tons... | 1,715 | 2,658 | 21,685 | 33,419 |
| “ in matte, tons | 16,989 | 15,928 | 6,285,930 | 6,371,200 |
| Molybdenite, lbs... | 15,845 | 65,827 | 15,845 | 83,550 |
| *Iron ore (exported), tons. | | 98,757 | | 412,401 |
| *Pig iron, from domestic ore, tons. | | 48,820 | | 936,118 |
| *Lead..... | | 540 | | 136,948 |
| | | | <hr/> | |
| | | | \$39,450,607 | \$43,119,496 |

*1916 figures are not available for the last three items.

Gold, being the standard of value, has, of course, not shared in the general advance in prices; at the same time the increased cost of production due to the shortage, as well as to the high price, of labour and to the cost of supplies, has interfered seriously with the development of this industry, which is to be regretted in the case of a metal so greatly in demand at the present time. Considerable development work has been carried out, however, and it is estimated that the ore reserves of the Porcupine Camp amount to over \$50,000,000. Kirkland Lake and Boston Creek districts promise to become important camps and it is reported that fresh discoveries have been made over a wide territory.

The rapid rise in the price of silver has naturally tended to stimulate production in the Cobalt district, and for the first time in many years the production will show an increase over that of the preceding year. The output reached its highest point in 1911 when it amounted to 31,500,000 ounces, which, at the average value of 53½ cents per ounce, returned the sum of \$15,953,000. This year, despite the usual labour difficulties, it is hoped to produce

about 20,000,000 ounces, the value of which at the average price for the year should exceed \$16,000,000. This satisfactory state of affairs cannot continue indefinitely, as some of the Cobalt mines show indications of being worked out, although there are still large bodies of ore in sight and the present estimate of ore reserves is placed at about 50,000,000 ounces, which is considered satisfactory. Few new discoveries have been made during the year, but the high price of silver is likely to stimulate prospecting during the coming season. The introduction of the oil flotation process referred to in our report of last year has proved of considerable benefit to the district, and the flotation plants, it is estimated, handle over 2,000 tons per day. The most interesting feature has been the rise in the price of silver, the lowest point since January having been 71.75 on March 27th, the highest point 108.50 on September 25th, with an average of 81 cents for the year. When the sudden advance in price occurred in September, the Allied nations ceased buying for a time and the price at present is in the neighbourhood of 85 cents. It is stated that the Allies propose to purchase about 100,000,000 ounces to meet their currency requirements for the year, at a price which will doubtless afford the miners a fair profit.

Both copper and nickel have advanced in price and the mines in the Sudbury district are reported to be working to the maximum of their capacity. The new company referred to in our last year's report has not yet started operations, but considerable development work has been done and it is now merely a question of obtaining the necessary electrical energy. It is reported that the new refinery at Port Colborne is well under way and it is expected to turn out refined nickel before next spring. The production of pig iron has shown a steady improvement during the past year, the value of the output for the nine months having increased nearly 50 per cent. over that of the previous year. The furnaces at

Sault Ste. Marie, Hamilton and elsewhere have been working to capacity and it is of interest to report in this connection that several new furnaces have been put in commission during the year. The production of molybdenite in the Ottawa Valley has increased and, owing to its use for war purposes, the demand is far in excess of the supply, thus stimulating prospecting for further properties of this character. The demand for the less important metallic ores such as fluor-spar, iron pyrites, graphite and corundum, has steadily increased, with the result that new properties have been opened up and a considerable increase has taken place in the output. Similar conditions continue to prevail regarding the production of talc, the demand for which is greater than the supply.

Owing to the large amount of tonnage transferred last year from the Great Lakes to the sea, the movement of cargoes on the lakes during the past season shows some reduction as compared with that of the previous year, with the result that lake vessel owners, both Canadian and American, have enjoyed a most prosperous season. Although grain cargoes have been considerably less than in previous years, and the grain rate from the head of the Lakes to the Georgian Bay and Buffalo was fixed by both Governments at 4 cents a bushel, this rate ensures a fair margin of earning power, and results should be satisfactory despite high operating expenses. On the other hand, the movement of iron ore to Lake Erie ports has been in the neighbourhood of 65,000,000 tons, about the same as that of last year, at relatively high rates. An interesting feature in connection with the past season's business was the abrogation of the coasting laws between Canada and the United States, from which Canadian owners probably derived the greater benefit by reason of being allowed to participate in the carrying of iron ore to and from United States ports. That there has been a further reduction in the Canadian lake tonnage is indicated by the follow-

ing figures of the steel lake tonnage, during 1917, obtained from a reliable quarter:

| | Tons |
|--|----------------|
| British registered steel tonnage on Great Lakes in 1916..... | 218,019 |
| New tonnage built in 1917..... | 12,200 |
| | <u>230,219</u> |
| Transferred to ocean service during the year 1917, 17 vessels... | 32,350 |
| British registered steel tonnage on Great Lakes at end of 1917.. | <u>197,869</u> |

It will be noted that the Canadian trade lost over 20,000 tons of steel ships to overseas employment. The American trade lost by transfer to ocean service about 21 vessels aggregating over 48,000 tons, but this has almost been equalled by new construction. Great activity has prevailed in all shipbuilding yards and on the Great Lakes during the year, and the output of the Canadian lake yards consisted of 19 steel trawlers, and 5 partially completed, 6 steel oil tank and cargo ships, and 3 almost finished, with a large volume of repair work. The new tonnage ordered for future delivery is said to comprise 2 wooden and 54 steel cargo steamers and 7 steel trawlers. The figures of the tonnage which has passed through the American and Canadian canals at the Sault from the opening of navigation to November 30th are of interest and show a decrease in the quantity of wheat and other grains. Navigation opened much later than usual and a large fleet of lake carriers was held up at the Sault until the end of the first week in May. Partly owing to this and also to some extent to the shortage of tonnage, the traffic passing through the canal shows a falling off compared with last year, although it is interesting to note that the Canadian canal still continues to receive its fair share of the traffic:

| | 30th Nov., 1916 | 30th Nov., 1917 |
|----------------|-----------------|-----------------|
| Canadian Canal | Tons | Tons |
| Freight..... | 16,318,586 | 15,216,631 |
| Vessels..... | 12,455,989 | 11,675,926 |
| American Canal | | |
| Freight..... | 72,807,258 | 72,037,129 |
| Vessels..... | 55,566,125 | 52,048,547 |
| Both Canals | | |
| Freight..... | 89,125,844 | 87,253,760 |
| Vessels..... | 68,022,114 | 63,724,473 |

The quantity of grain shipped through the terminal elevators at Fort William and Port Arthur up to the close of navigation this year is shown below and the table indicates the reason for the decrease in the amount of tonnage engaged in moving grain during the past season:

| | 1916 | | 1917 | |
|-------------|---------------------|---|---------------------|---|
| Wheat..... | 181,685,991 bushels | | 159,899,313 bushels | |
| Oats..... | 57,821,239 | " | 36,888,973 | " |
| Barley..... | 8,887,283 | " | 5,176,344 | " |
| Flax..... | 5,574,987 | " | 5,693,190 | " |
| | <hr/> | | <hr/> | |
| | 253,969,500 | " | 207,657,820 | " |

Owing to the scarcity of labour and the necessity of curtailing all government expenditure, work on the Welland ship canal was suspended early in the year for an indefinite period, probably until the end of the war. The demand for electric power, however, has increased steadily, and the Hydro-Electric Power Commission, in order more fully to control the distribution of the power now generated, purchased the Ontario Power Company at Niagara Falls. In addition, the work of constructing the Chippewa-Queenston power canal is proceeding as rapidly as the supply of labour will permit. It is anticipated that this canal when completed will develop approximately one million horsepower.

The manufacturing industries have prospered in a manner far exceeding all expectations, which is largely the result, either directly or indirectly, of the government expenditure on supplies for the war. Manufacturers of munitions during the greater part of the year have been working to capacity, but latterly, owing to the cessation of orders for shells, fuses, etc., there has been some slackening in activity. All steel plants, rolling mills, and wire mills have been fully occupied. The manufacture of agricultural implements has received special impetus from the heavy purchases of the farmers throughout the western provinces. Motor car manufacturers have been busy and

some plants report the largest output on record. Considerable development has taken place in the production of woollen goods and it is conjectured that the Canadian mills will be able to hold a larger share of the domestic trade after the war. Orders for munitions and military supplies have latterly been received from the United States and it is anticipated that many mills will be fully engaged with these until midsummer next. All this increased activity has been accompanied by steadily increasing cost of materials and of labour, particularly of the former, the scarcity of which in many lines is increased by the prolongation of the war.

The purchasing power of the public remains high and wholesalers and retailers report business as being exceptionally good, with collections promptly made and losses from bad debts unusually small. The difficulty of securing certain lines of merchandise has increased. Owing to the check experienced as a result of the cessation of munition orders, buying has proceeded carefully and merchants realize more clearly than ever before the necessity of carrying reasonably light stocks. The labour situation caused manufacturers considerable anxiety and difficulty during the first part of the year but this condition has been somewhat ameliorated owing to the lessening of munition orders.

There has been little movement in real estate or in building, although the demand for small houses is in excess of the supply. A fair enquiry exists for good farms, and there has been less tendency on the part of renters to leave their farms. The high price of labour operates as a deterrent to any great extension of a back-to-the-land movement, which the prevailing high prices might justify. Payments of interest and principal on mortgages have been up to the average, with little or no increase in the demand for new loans.

That the inhabitants of the Province of Ontario as a whole have enjoyed unexampled prosperity during the past few years has been signally demonstrated by their response to the appeal to lend their surplus funds and future savings to the Dominion of Canada for the carrying on of the war. The Victory Loan offered by the Minister of Finance amounted to \$150,000,000 and 362,900 individual subscribers in the Province of Ontario alone applied for \$203,823,500, much more than the total loan and nearly half of the amount subscribed by all the provinces of the Dominion, which amounted to about \$417,000,000. This great achievement will undoubtedly result in a new spirit of thrift and economy, while the self-discipline and accumulated savings should aid materially in lightening the load which later on will have to be carried through the period of readjustment that must of necessity follow the declaration of peace.

MANITOBA, SASKATCHEWAN AND ALBERTA

The season of 1917 in the prairie provinces, from the commencement almost to the end, was one of anxiety regarding the crop. Weather conditions in the preceding autumn had prevented farmers from doing the usual amount of fall ploughing and hopes were centred on spring ploughing to make up the deficiency. Unfortunately, instead of an early spring we had an unusually late one, so that very little ploughing could be done, and under the incentive of high prices farmers in many cases resorted to the expedient of putting in seed on stubble which had been only superficially cultivated. The extent to which this was done can be gathered from the fact that notwithstanding the very serious deficiency in both fall and spring ploughing the total acreage seeded was quite equal to the record acreage of 1916.

Added to the handicap of these conditions, the season was one of abnormally light rainfall over much the greater portion of the prairie country. June and July were months

of drought, except for occasional showers in scattered districts, so that by the beginning of August it looked as though we should not have more than half a crop; but at that time a moderate general rain fell and was followed by ideal filling and ripening weather, with the agreeably astonishing result that the yield of wheat was only two or three bushels below the average, though coarse grains yielded only about two-thirds of a crop. The acreage being large, the total yield of all grains compared not unfavourably with preceding years other than 1915 (the year of the record crop) as will be seen by the following figures:

| | Wheat bus. | Oats bus. | Barley bus. | Flax bus. |
|---------------------|---------------|--------------|----------------|--------------|
| 1912..... | 176,860,000 | 220,327,000 | 39,600,000 | 22,000,000 |
| 1913..... | 181,900,000 | 224,270,000 | 51,161,000 | 14,093,000 |
| 1914..... | 140,031,000 | 162,460,000 | 35,763,000 | 4,000,000 |
| 1915..... | 376,448,000 | 339,000,000 | 59,692,000 | 4,250,000 |
| 1916..... | 214,289,000 | 282,987,000 | 43,240,000 | 6,430,000 |
| 1917 (estimated)... | 206,066,000 | 238,301,000 | 48,265,000 | 5,065,000 |

After-harvest weather conditions were very favourable for threshing, so that the whole of the crop was gathered in good condition. Up to the end of November 53 per cent. of the deliveries of wheat graded No. 1 Northern, while only 12 per cent. was lower than No. 3. Seldom, if ever, has a crop graded higher than this, and with war prices prevailing most farmers have prospered greatly.

Alberta has been specially favoured. The wheat crop of that province in 1915 reached the remarkable average of 36 bushels per acre, followed by the high average of 28 bushels in 1916, and by 20 bushels in 1917. Consequently, with the net price of wheat in 1917 nearly four times what it has sometimes been, the earnings of thousands of Alberta farmers have been enormous, considered in relation to their total investment. Many men who were "broke" after the 1914 drought and were obliged to obtain seed, feed and relief from the Government, are now out of debt, own an automobile and have money in the bank.

Turning to the outlook for 1918, a favourable feature is that a satisfactory amount of fall ploughing has been done. The prospect is clouded, however, by reason of the fact that the present season closed with a serious deficiency of moisture in the soil in all districts except the northern portion of Alberta. Usually we are assured of fair yields on the summerfallowed lands, but even as to these it now looks as though our hopes must rest more largely than ever on the extent of the rainfall in May, June and July next.

Farming methods on the whole show a steady improvement. In the matter of the quality of the grain used for seed there has been a general awakening on the part of a number of farmers who were formerly not alive to the fact that much grain of the lower grades is seriously deficient in vitality. During 1917, 11,557 samples of seed grain were sent in to the Dominion Government Seed Branch at Calgary for testing, as compared with 6,445 samples in the previous year—a development to which the systematic campaign conducted by our own branch managers during the past two or three years has contributed quite largely. In the preparation of the seed bed the quality of the work done is steadily improving.

Agricultural authorities are agreed that, except in some northern districts, because of our limited rainfall at least one-third of a farmer's cultivated land should be kept in summerfallow, but, while nearly all successful men have followed this practice, on the whole our summerfallowed land has always fallen considerably short of the proper proportion and unfortunately the incentive of high prices has resulted in accentuating this condition. The experience of the past season, however, in which crops on superficially cultivated stubble were almost a complete failure, while those sown on summerfallow withstood the drought and gave good yields, has served as an excellent object lesson to many farmers, and will go a long way to bring about the

more general adoption of the best tillage methods. Had the land which was seeded this season on an inadequately prepared bed been summerfallowed instead, the farmer's position would now be a much stronger one.

The live stock industry has shown a further satisfactory development. The feed shortage of 1914, followed by high prices for all grains, resulted in a steady decrease in hog raising. This was finally checked, however, by the sharp advances in the hog market during the past year and was followed by an increase. The same factors operated also as a partial check on the increase in the number of cattle, but farmers have all along shown a strong faith in cattle-raising, and the total holdings have increased steadily from year to year. A very notable broadening of interest in sheep has been taking place in all three provinces, and the number of farmers engaged in sheep raising has increased to a greater extent than is indicated by the increase in the total number of sheep. The following figures show how live stock holdings compare with those of last year and of five years ago:

| | 1912 | 1916 | 1917 |
|-------------|-----------|-----------|-----------|
| Cattle..... | 2,194,563 | 2,825,103 | 3,415,487 |
| Horses..... | 1,443,186 | 1,804,603 | 2,025,996 |
| Sheep..... | 305,283 | 449,712 | 551,634 |
| Swine..... | 1,078,435 | 1,232,811 | 1,679,772 |

A comparison of the foregoing figures with those for the Province of Ontario, if made on the basis of the rural population, would show that, contrary to the general belief, the west is not behind the east in the development of its live stock industry.

Notwithstanding that the number of cattle held by farmers shows a satisfactory increase, the statistics of the receipts at the Winnipeg stockyards for the twelve months ending 31st October show that a very much larger number have been marketed.

| | 1916 | 1917 | |
|-------------|---------|---------|----------|
| Cattle..... | 148,541 | 253,310 | Inc. 70% |
| Horses..... | 10,685 | 13,468 | Inc. 30% |
| Sheep..... | 19,405 | 23,048 | Inc. 18% |
| Hogs..... | 328,819 | 331,311 | Inc. 1% |

A very satisfactory feature of the movement from the Winnipeg stockyards is the remarkable increase in the number of stocker and feeder cattle shipped back to the west or sent to Ontario, and the decrease of 19 per cent. in such shipments to the United States. This points to a very strong development among our farmers of the business of feeding and finishing cattle for market—a specialization which was almost non-existent in the western provinces three or four years ago, although highly developed in the western and northwestern States. The total receipts of feeders and stockers at the Winnipeg yards were 50 per cent. greater than in the previous year, and their destination after sale was as follows:

| | 1916 | 1917 | |
|--------------------|--------|--------|-------------|
| West..... | 21,606 | 37,824 | } Inc. 126% |
| East..... | 678 | 12,559 | |
| United States..... | 24,149 | 19,616 | Dec. 19% |

The Dominion campaign for increased hog production has been taken up by the Governments of the three prairie provinces with vigour and system, and as at present prices there is a satisfactory margin of profit, these efforts should be productive of excellent results.

The past few years have witnessed a steady reduction in the number of large ranchers and a very great increase in the number of farmers engaged in stock-raising. Ranching, however, is still an industry of considerable proportions in Alberta, and owing to the shortage of emergency hay supplies a good many ranchers are entering the winter facing a serious danger, if the season should be a stormy one. The severity of the weather last winter forced them to make a heavy inroad into their hay reserves, and the dry season has prevented their replenishing them.

After agriculture, the only two important industries, as yet, in the prairie provinces are lumbering and coal mining, and while their proportions in relation to agriculture are insignificant, spruce lumbering contributes appreciably to the prosperity of the northern districts of all three provinces, and coal mining is a factor of considerable importance in Alberta.

With the cessation of building operations after the commencement of the war, the lumbering industry suffered a severe set-back lasting for about two years, but with good crops and high prices for agricultural products a strong demand set in for lumber for farm uses, and during the past two years the sawmills and lumber yards have experienced a marked return of prosperity. The cut for 1916-17, which would probably show some increase over the preceding seasons, is not yet ascertainable. The figures for the previous years are as follows:

| | | |
|--------------|-----------------|-------------|
| 1912-13..... | 231,223,000 ft. | \$3,463,843 |
| 1913-14..... | 146,571,000 " | 2,093,578 |
| 1914-15..... | 123,196,000 " | 1,674,270 |
| 1915-16..... | 160,336,000 " | 2,304,226 |

The production of coal in Alberta has been as follows:

| | | |
|-----------------------|-----------|----------------|
| 1914..... | 264 mines | 3,821,739 tons |
| 1915..... | 280 " | 3,434,891 " |
| 1916..... | 286 " | 4,648,604 " |
| 1917 (estimated)..... | 289 " | 4,750,000 " |

Had it not been for the labour scarcity and the strikes among the miners, the output of the mines would have shown a much greater increase.

Notable developments have taken place during the year in the new mineral field of northern Manitoba, sixty to seventy miles from The Pas, and while it is too soon to form any estimate of the area within which profitable mining operations will eventually be conducted, the results thus far are highly promising. At Schist Lake, sixty miles north of The Pas, the Mandy Mining Company (owned by

the Tonopah Company of Philadelphia) has expended about \$300,000 on development work. This company mined and shipped last winter 3,600 tons of copper ore, from which highly satisfactory returns were received, and expects to ship 10,000 tons in the ensuing season. Three miles away, at Flin Flon Lake, another company claims to have proved up over 9,000,000 tons of copper ore. In another district at Herb Lake, about seventy miles north-east of The Pas, six gold-quartz properties are well under development, on one of which the erection of a thirty-stamp mill is to be completed by next spring.

The unusual returns from agriculture have naturally been reflected in excellent conditions in the wholesale and retail distributing trade. Store accounts and implement notes have never been so well paid, and sales show substantial increases all along the line. In the case of necessities the increase is mainly due to higher prices, but farmers generally have been buying comforts in greater volume and also some luxuries. There is a disposition in some quarters to deplore the farmers' purchases of motor cars, but speaking generally we do not regard this as a matter for concern. Most of such purchases are of small, inexpensive cars the practical utility of which, in a country of large farms and magnificent distances, is very great. Moreover, the automobile has become a factor of outstanding importance in bringing about a badly needed improvement in the social conditions of farm life on the prairies.

The great prosperity of agriculture has led to a marked revival of the demand for farm lands, and in most districts improved farms have readily found purchasers at prices equal to or greater than any heretofore paid. There have been numerous sales of large blocks of land to well-to-do Americans, for actual farming, and the agents of the land companies report that American farmers are again evincing a pronounced interest in Canadian lands. It is as yet too

soon, however, for this to be evidenced by any very great influx of farmers from the United States.

The immigration of farmers and farm labourers, to the prairie provinces from the United States, for the ten months ending 31st October, has been as follows:

| | 1915 | 1916 | 1917 |
|---------------------|-------------|-------------|--------------|
| Farmers..... | 3,559 | 4,788 | 7,782 |
| Farm labourers..... | 543 | 3,617 | 9,705 |
| | <hr/> 4,102 | <hr/> 8,405 | <hr/> 17,487 |

Western farmers have been labouring under certain handicaps to their material prosperity which are not unlikely to become more serious after the war unless concerted action is taken soon with a view to their removal. These handicaps come under three heads, namely: (1) Inefficiency of farming methods; (2) High cost of purchased goods; and (3) High interest rates.

With regard to the first of these, we have of course some farmers of the very highest type, but the percentage is small. On the other hand there is a very large percentage of industrious and well-intentioned men whose failure to make satisfactory progress is due mainly to a deficiency of knowledge of the tillage methods which are suited to a country of limited rainfall. If methods were adopted to afford such men guidance in the fundamentals of good tillage—as, for example, by introducing the County Agent system which is revolutionizing agricultural production in many hundred counties in the western States—the gain would be enormous. As to the amount by which the average production per acre could be increased in a very few years by comprehensive Government action on such lines, it is unnecessary to venture a definite opinion. If for our present purpose we place it at the absurdly low figure of $2\frac{1}{2}$ bushels of wheat per acre, the gain at normal prices, say 80 cents a bushel, would be \$200 a year to the quarter-section farmer.

On the other hand, as to the second and third of the items above mentioned, under ideal conditions the most that

the quarter-section farmer could expect to save would be \$25 a year in mortgage and bank interest, and \$25 to \$40 a year on his purchases of implements and store goods.

From the foregoing figures it will be seen that inefficiency of farming methods is responsible for not less than seventy-five per cent. of the difficulties in the way of obtaining a full measure of agricultural prosperity in the western provinces.

The Dominion Department of Agriculture and the three provincial departments are all doing good work to further the development of our agricultural industry, but they are working more or less independently instead of in the closest possible co-operation.

The Dominion Government has adopted some excellent measures in aid of the live stock industry; in Manitoba the Boys' and Girls' Club movement is developing rapidly, but although it is clearly going to be a great factor in promoting agricultural efficiency, it has not yet been actively taken up in the other two provinces; Alberta has an excellent system of agricultural schools which is peculiar to that province and inadequately developed even there; and the Saskatchewan Department also has excellent features of its own. Making due allowances, however, for differences of opinion as to methods, there is no good reason why the best features of the work of each of the three provincial departments should not find adoption by all.

As a newly settled country, our great need has been, and still is, an organization which will link up the work of all the Departments of Agriculture and make the results available in the most effective manner for the men who most require guidance and aid. The necessity of preparing for the economic struggle which must come after the war renders this a problem of such outstanding importance as imperatively to demand early action.

Each of the three provinces has pledged its whole credit in order to lower the farmer's mortgage rates by one or two per cent.—a comparatively trifling item among the removable handicaps to agricultural prosperity. Removal of what is infinitely the greatest handicap, however, calls for co-operation among all the Departments of Agriculture, and may be accomplished by an additional expenditure of a few hundred thousands a year—a policy which could be made to produce more millions of dollars annually than it would be prudent to attempt to estimate.

BRITISH COLUMBIA

Business conditions throughout British Columbia have improved during the year. Payments have been well met, there is a noticeable increase in savings through all sections of the country, and mercantile customers are exhibiting cleaner balance sheets, mainly as the result of closer crediting and narrowed purchases of stocks. In some of the mining sections, as a result of the shortage of labour and the independent tone assumed by the workers, strikes have interfered with the business of the retailers. Prohibition came into force on 1st October, and while it is too early to outline the actual results, adjustment to the new conditions is evidently in progress, and the moral effect upon the community certainly seems to be beneficial, although, because compensation has not been granted, some hardship has been entailed upon those who have invested in the manufacture, or who have been engaged in the distribution of intoxicants.

In some of the scattered agricultural sections, as a consequence of enlistments, there is a smaller acreage under cultivation, but taken as a whole a larger area by 15,000 acres has been sown and planted, and the result has been an increase in production. There is a growing tendency to mixed farming, to the extension of dairy herds, and to the

establishment of creameries, and the latter have been uniformly successful. In some of the best districts it is claimed that the farmers have not for years had better crops. Oats grown near the coast have been sold at \$40 to \$45 per ton, a price said to be a record and mainly ascribable to American buying. The hay crop has been good and prices above the average, and the same may be said of potatoes, of which an extra acreage was planted because of the high prices in 1916; excepting at the coast prices have ruled high, though varying considerably during the season. The total value of agricultural products in 1916 was \$32,182,915, an increase over 1913 of about \$6,000,000; the figures of 1917 are not yet procurable. Holdings of cattle and sheep are everywhere increasing and improved grades are being steadily introduced. In one of the sections where the cattle runs are large there has been marked prosperity and the losses have been unimportant in spite of a long and somewhat severe winter; beef cattle have brought as high as 8 cents a pound as compared with $6\frac{1}{4}$ cents in 1916, hogs 16 cents as against $9\frac{1}{2}$ cents, and sheep $12\frac{1}{2}$ cents as against $8\frac{1}{2}$ cents. On account of the high figures which have been realized for pork those raising hogs in a small way have reduced their holdings, but farmers on a larger scale are increasing their droves with a distinct tendency to improvement in grade. The number of livestock in the province as at 15th June is estimated as follows:

| | |
|-------------------|-----------|
| Horses..... | 55,280 |
| Dairy cattle..... | 86,219 |
| Beef cattle | 153,524 |
| Sheep | 43,858 |
| Swine | 37,368 |
| Poultry..... | 1,368,000 |

We think that these figures can be regarded as reasonably accurate, as they have been obtained by methods different from those formerly employed. The demand for horses has been brisk and prices higher than in 1916.

The fruit-growers have had no reasonable ground for complaint; there has been an increase in the product and the demand has been strong, so that even windfalls and culls have met with a ready sale. The total product of the province for the year was 2,999 cars of apples and 716 cars of other fruits, the value being \$2,740,500, of which \$2,248,500 went to the Okanagan district. The scarcity of labour has been a serious handicap to the growers, but the difficulty has been overcome by the employment of women, who did excellent work, and the organization in Vancouver which secured them for this purpose has met with high commendation. The fruit-growing industry is making steady progress and the outlook is distinctly hopeful, but the irrigation problem in some sections is giving rise to apprehension and a solution has not yet been found.

In real estate the movement has been very light, particularly in city properties, but a few farms have changed hands at reasonable figures. In the main taxes have been somewhat better paid, although there is still room for improvement in this respect. In the cities there is a demand for residences, and the rentals of apartment houses have been increased from time to time during the year.

Immigration to the province, which in 1916 was 2,831, is stated this year to be 5,107, figures far below those of 1914. The number of pre-emptions issued this year again shows a reduction.

In lumber the improvement reported last year has been more than maintained, and although the demand has now slackened considerably, the feeling is distinctly encouraging. The output of the coast mills was about normal as compared with the 50 per cent. cut of last year, and the selling price of common lumber has been about \$5.25 over the price prevailing in 1916. The production for the year is estimated at 1,250,000,000 feet, an increase of 25 per cent. over 1916. The consumption has been almost exclusively either local or for export eastward. As only the very best quality of

spruce can be utilized for the manufacture of aeroplanes, it is feared that the large quantity found unfit for this purpose will glut the market. Fortunately, stocks on hand are about the same now as in 1916, when they were the lowest for several years. The Queen Charlotte Islands, where there are large blocks of standing spruce, are coming into the field as producers, and several new mills are being erected. The market for standing timber is firm and prices are advancing, but sales have been few.

This should have been the heavy year of the quadrennial period of the salmon fishery on the Fraser River, but the run of sockeyes was distinctly disappointing. As compared with the pack of 972,000 cases of sockeyes in 1913, the corresponding year of the previous period, only 339,000 cases have been put up, the decrease being almost entirely in the Fraser River pack, which fell off by 571,000 cases, a result evidently due to the block in the river caused by railway operations in 1913. In spite of this, the entire pack of salmon in the province has been the largest on record, 1,557,000 cases or 203,000 cases more than in 1913, the deficiency in the catch of sockeyes, the most valuable fish, having been more than offset by the larger catch of the cheaper grades. The output has been sold at record prices, \$16 per case of half-pound tins having been obtained for sockeyes, with prices for the lower grades in proportion. On the other hand, while the cannery have made money their expenses have been increased by the extra cost of labour and materials and by the high prices which they have been obliged to pay for the fish—75 cents apiece for sockeyes and, towards the end of the season, 70 cents for chums, figures hitherto unknown. The buyers from the United Kingdom are permitted to import into Great Britain only an amount equal to 50 per cent. of last year's pack; they have bought more than this and are storing the surplus for shipment after the new licenses come into force. France and Italy have also bought largely, but there

are no restrictions upon shipments to these countries. It is impossible to predict the course of the market for next year, and neither buyers nor sellers will make contracts, because there is so much uncertainty as to the possibility of securing tinplate and other necessary supplies, and there are so many possibilities of trouble in the labour situation. It is to be noted that the packers secured the appointment by the Dominion Government of a commission to investigate conditions in the northern part of the province. Their report has not yet been presented, and in the meantime another commission is to take up without delay the investigation of the Fraser River, as a result of which it is hoped that the depletion of this fishing ground will be prevented by suitable regulations and an agreement with the authorities in the United States. The catch of fish of all kinds in the entire province, mainly in the north, was 50,226,800 lbs. in 1917 as compared with 46,397,200 lbs. in 1916, halibut and salmon predominating. The catch of halibut was somewhat less than that of last year, but that of salmon showed an increase of about 3,700,000 lbs; the market for other and cheaper grades of fish is steadily increasing, but the depletion of the halibut banks is becoming more evident year by year. Prices for this fish have been from 10 to 22 cents as compared with 3 cents per lb. a few years ago. Of the fish products of the Dominion amounting to \$35,860,708 in 1916, British Columbia produced 40 per cent. and leads every other province. The whaling company, which operates through a subsidiary company in American waters, also secured this year a catch of 588 whales as compared with 671 in 1916, and although the number is less the profit will be greater because of the increase of 50 per cent. in the value of oil since 1916. Whale meat has been put upon the market for the first time.

The import figures for 1917 are not yet available, but in 1916 goods entered at custom houses throughout British

Columbia were valued at \$12,641,759, a reduction of \$1,270,000 from the figures of 1915.

Tonnage is procurable only with difficulty and ocean freights still rule high, rates to the Orient, which last year were \$8 per ton, now standing at \$38. Railway construction has been at a standstill. There are in operation in the province 4,652 miles of railroad, including 500 miles of lumber, mining and other industrial roads. Quite recently the first shipment of prairie wheat via the Panama Canal, amounting to 100,000 bushels, left Vancouver and it is expected that this port will in the future handle much of the output of the Central West.

Thirty-two wooden and eight steel vessels are now under construction in the province, but apart from shipbuilding there has been little increase in manufacturing. War orders for shells and shell boxes have ceased, and although it is true that while they lasted they created quite a heavy payroll there was little resulting profit to the manufacturers.

The value of the product of all metalliferous mines for 1917 is estimated at \$30,910,000, as compared with \$32,063,514 in 1916, and of coal and coke at \$8,127,328, as compared with \$8,900,675. There have been increases in the production of copper of \$3,506,000 and in the production of silver of \$274,261, and decreases in gold, lead, zinc and miscellaneous products. The net reduction in the total value of the products of the mine amounts to \$2,253,134. The output of copper this year is 78,000,000 lbs., as compared with 65,379,364 lbs. in 1916. The quantity of coal mined is 2,332,000 long tons, or 153,000 tons less than the output of 1916. Coal operators have been hampered by labour troubles and the production of coke has consequently been reduced; this has reacted upon the smelting companies, otherwise the production of copper would doubtless have been considerably greater. Not only has labour been scarce but its quality is poor.

THE YUKON

Conditions in the Yukon district have not differed very much from those which prevailed in 1916. Tourist traffic has been light—possibly somewhat below that of the twelve months preceding; on the other hand, there has been considerable activity in freight due to the transportation of material for the railway which is in course of construction by the United States Government in Alaska. Retailers and distributors have done a satisfactory business both in Dawson and White Horse, the main centres of the district, and no complaint is made as to payments. The population of Dawson and the adjoining creeks is stated to be now in the neighbourhood of 2,600, and the gold output for 1917 is placed at \$3,646,088, as compared with \$4,036,035 in 1916, which was a reduction of \$220,000 as compared with 1915.

About 3,600 tons of coal have been mined as compared with 2,700 tons in 1916; the greater part has been sold in Dawson, where it steadily tends to replace the use of wood as fuel. In the White Horse district the yield of copper for the year is estimated at 31,000 tons having a gross value of \$725,000; the major portion of the net proceeds has been reinvested in the properties. Under present conditions there is not a strong demand for high-priced furs and some dealers have been compelled to carry over large stocks of silver grey fox.

UNITED STATES

I

The momentous action of Congress on April 6th in declaring the existence of a state of war with Germany found the United States in a position of unprecedented financial strength and preparedness. During the two and a half years following the outbreak of the war the sale of supplies destined for the belligerent nations of Europe had enormously increased exports and the balance of trade in favour

of the United States had amounted to the staggering sum of \$6,056,000,000. It is estimated that to the extent of \$2,500,000,000 the credit balances thus created were used to repurchase United States securities held abroad. During the same time the country added approximately \$1,200,000,000 to its gold holdings, which amounted to \$1,887,270,000 in August, 1914, and on 1st April of this year to \$3,088,904,808. It is estimated that the United States now holds about 35 per cent. of the world's total stock of gold.

The disturbed state of relations with Germany for some time previous to the declaration of war had not been without its warning and precautions had been taken to maintain the Federal Reserve Banks in a highly liquid condition. On 6th April the weekly statement of the Federal Reserve Banks showed total gold reserves of \$565,102,000, providing a reserve against deposit liabilities of 73 per cent., in addition to which the Federal Reserve agents held \$378,450,000 in gold against a like amount of Federal Reserve notes issued to the Federal Reserve Banks, making a total of \$943,552,000 of gold in the Federal Reserve System. The last preceding report of the combined national banks of the country to the Comptroller of the Currency on 5th March also showed a reserve position of unusual strength. Soon after the nation's entry into the war certain amendments to the Federal Reserve Act were enacted by Congress under which member banks are required to keep all their reserves with the Federal Reserve Banks of their respective districts, and providing also for the admission of State banks and trust companies to the Federal Reserve System upon attractive terms. The result of these measures, as will be noted by the sub-joined statement, is reflected by a huge enlargement of the resources of the Federal Reserve Banks, the most important feature being the mobilization of upwards of \$900,000,000 of additional gold into the Federal Reserve System during the year.

| | 30th November, 1917 | 30th November, 1916 |
|---|------------------------|------------------------|
| Total gold reserve..... | \$1,621,725,000 | \$691,231,000 |
| “ earning assets..... | 1,052,436,000 | 200,747,000 |
| “ gross deposits..... | 1,966,807,000 | 640,307,000 |
| Federal Reserve notes in actual circulation..... | 1,056,983,000 | 247,139,000 |
| Total resources..... | 3,104,843,000 | 943,917,000 |
| Gold Reserve against net deposit liabilities..... | 59.4% | 72.7% |
| Gold Reserve against Federal Reserve notes in actual circu- lation..... | 63.8% | 102.6% |

Notwithstanding, therefore, an increase in the Federal Reserve notes in circulation of \$775,444,000, the proportion of gold reserve on 30th November against these notes was 63.8 per cent. or 23.8 per cent. in excess of the 40 per cent. legal requirement. The fact that during the past six months Government bond issues aggregating \$5,800,000,000 have been floated almost without financial disturbance is a striking tribute to the efficiency of the Federal Reserve System.

The magnitude of the credit requirements of the Government in connection with the financing of the war has caused bankers and credit men to consider further methods of mobilizing the credit facilities of the nation and at the moment there is an almost nation-wide movement to introduce in this country the trade acceptance, or trade bill, as it is termed in Canada, where it has been long and successfully employed. Quite apart from the direct benefits to be obtained from this logical method of financing domestic trade, its adoption is highly desirable from a patriotic and national viewpoint. At the present time there is tied up and unavailable a vast sum in the form of open book accounts. With these accounts replaced by trade acceptances, rediscountable with the Federal Reserve Banks, great assistance would be given to the general financial position of the country by converting this enormous sum, which is now a dead weight, into a liquid form of available credit.

The war measures taken by the Administration since the United States joined the ranks of the belligerents give gratifying evidence of a resolute determination that the nation shall play its full part in the struggle for the suppression of Prussian junkerism. Within a month after the declaration of war the special war session of Congress adopted a bill providing for the issuance of \$5,000,000,000 long term bonds and \$2,000,000,000 in the form of certificates of indebtedness, and giving authority to the Secretary of the Treasury to lend \$3,000,000,000 to the countries then at war with the enemies of the United States, as well as the Draft Bill under which nearly 10,000,000 men are made subject to call for military service, of whom 1,000,000 have since been drafted and are now in training either here or in France. It is, however, in the total appropriations and authorizations of Congress for the fiscal year ending 30th June, 1918, that the full purpose of the country is shown. These amount to the enormous sum of \$21,390,730,946, of which \$7,000,000,000 is to be lent to the Allies and about \$1,000,000,000 is for the normal expenses of the Government. The remainder is appropriated to provide for expenditures in connection with the prosecution of the war. The fact that the appropriations and authorizations for the Shipping Board and Emergency Fleet Corporation alone amount to \$1,889,517,500 for the purchase or construction of new ships of various kinds and of aircraft, will give some idea of the stupendous scale upon which the war preparations are being conducted.

It is expected that upwards of \$3,800,000,000 of the amount that the Government will require to provide for its disbursements for the fiscal year ending June 30th, 1918, will be raised in the form of current revenue, the excess over the receipts of previous years being obtained by the imposition of additional taxes, principally in the form of a graduated additional tax on incomes and a new tax on profits.

In June the First Liberty Loan was successfully issued. It was limited to \$2,000,000,000 and took the form of $3\frac{1}{2}$ per cent. 30-year bonds convertible into bonds of any subsequent war issue and exempt from all Federal or State taxes except estate or inheritance taxes. The aggregate subscriptions received amounted to \$3,035,226,850 and came from more than 4,000,000 individual subscribers. The Second Liberty Loan of \$3,000,000,000 was floated in October and, as the result of an aggressive and extremely well-organized selling campaign, was still more largely over-subscribed, the subscriptions received amounting to \$4,617,532,300 from approximately 9,400,000 subscribers. One-half of the over-subscriptions was accepted, making the total amount of the loan \$3,808,766,150. These bonds, which fall due in 1942, but are subject to redemption after November 15th, 1927, at par, bear interest at the rate of 4 per cent. and are exempt from taxation except estate or inheritance taxes, additional income taxes, and taxes on excess profits and war profits. They also carry the privilege of conversion into the next succeeding war issue of bonds. Pending the issuance of these long term loans the Government provided itself with a gradual supply of money by the sale from time to time of certificates of indebtedness, most of which were taken by the banks. These certificates were accepted in payment of subscriptions and the banks were permitted to give the Government credit on their own books for payments made through them, so large transfers of money were avoided and settlements for both loans have been effected with little financial derangement. In July the rate for call loans touched 10 per cent. temporarily, but in each month of the year the minimum rate for this class of loan has been as low as $2\frac{1}{2}$ per cent. The rate for time loans ranged from 3 per cent. to 6 per cent. during the year and for commercial paper from $3\frac{1}{4}$ per cent. to 6 per cent.

According to a recent announcement of the Secretary of the Treasury, the further sum of \$9,300,000,000 will have to

be raised by means of bond issues before the end of June, 1918. This is in addition to the sum of \$663,000,000 which it is expected will be received from the sale of the war saving certificates lately placed on sale throughout the country in order to attract the small savings of the people. So far the burden of financing the war has been readily borne, and evidences are not lacking of increasing care and thrift on the part of the people, as witnessed by the observance of wheatless and meatless days and in the surprisingly large number of subscribers to the two Liberty Loans, the significance and far-reaching effect of which can hardly be over-estimated. Nevertheless, there is need for a still more urgent call for greater personal economy before the full economic resources of the nation can be brought to bear.

Up to 30th November the credits extended to the Allied Governments amounted to \$3,883,900,000. The latest of these loans have been made at $4\frac{1}{4}$ per cent., but the Secretary of the Treasury has explained that "This rate in turn will be further increased, in case there should be higher rates of interest paid by the United States during the continuance of the war for the moneys that it may invest in the purchase of foreign obligations." The apportionment of these loans is as follows:

| | |
|--------------------|-----------------|
| Great Britain..... | \$1,860,000,000 |
| France..... | 1,130,000,000 |
| Italy..... | 485,000,000 |
| Russia..... | 325,000,000 |
| Belgium..... | 65,900,000 |
| Cuba..... | 15,000,000 |
| Serbia..... | 3,000,000 |
| | <hr/> |
| | \$3,883,900,000 |

In addition, the following loans to the European Allies and to Canada have been floated in this market since the date of our last report:

| | |
|---|---------------|
| British $5\frac{1}{2}$ % one and two-year Notes..... | \$250,000,000 |
| British Treasury Bills..... | 100,000,000 |
| French $5\frac{1}{2}$ % two-year convertible secured Notes..... | 100,000,000 |
| French Industrial Credit..... | 50,000,000 |
| French Three-City Loan..... | 36,000,000 |
| Canadian two-year Notes..... | 100,000,000 |

This is in addition to loans of \$1,670,000,000 previously granted, so that the total loans of this country to belligerent Europe and to Canada since the commencement of the war aggregate \$6,189,900,000. The credits granted by this Government to its Allies have made it unnecessary for the latter to continue paying gold in settlement of purchases made in this country, and since April the movement of gold has been slightly against the United States, this being due to heavy exports to Japan, Spain and South America. With a view to conserving the gold reserves of the nation and of preventing shipments for the benefit of the enemy, the Government in September last placed an embargo on exports of the metal except under license by the Federal Reserve Board, which it was intimated would be given only in cases in which unusual circumstances seemed to justify such action.

Throughout the year security values have trended steadily downward from the high prices prevailing a year ago, this movement being primarily ascribable to the huge requirements of the Government, to the fixing of prices for staple commodities, and to fear of the effect of the heavy war taxation. The average price of fifty leading stocks in the last week of November, according to figures submitted by Bradstreet's, was 64.68, as compared with 98.25 in the corresponding week in 1916, and the average price of forty bonds was 77.26 as compared with 89.04.

The pound sterling was maintained on a basis of 4.76 $\frac{1}{2}$ during the year, but apart from this the foreign exchanges embraced many unusual features and were subject to violent fluctuations. With trade balances so greatly in favour of the United States and with gold exports prohibited by the different Governments, the natural trend was towards a continued fall in the exchanges of our European Allies, and the success or otherwise of the armies in Europe had a marked effect on the exchanges of the

countries engaged in the war. This was particularly noticeable in the case of lire and roubles.

Neutral European exchanges were unusually high and since the embargo was placed by the American Government on shipments of gold and general merchandise they have risen to unprecedented levels. While the pressure may be temporarily relieved by a more liberal extension of credit facilities, the course of the smaller exchanges should rule high until an adjustment on a large scale is possible.

The following table will serve to show the fluctuations during the year:

| | High | Low | Par |
|----------------|---------|--------|--------|
| Sterling..... | 476.47½ | 476.40 | 486.66 |
| French..... | 567 | 584½ | 518.26 |
| Swiss..... | 437 | 515 | 518.26 |
| Italian..... | 688½ | 855 | 518.26 |
| Dutch..... | 45½ | 40⅙ | 40.20 |
| Spanish..... | 24¼ | 21 | 19.30 |
| Russian..... | 30¼ | 11½ | 51.46 |
| Danish..... | 39 | 27.35 | 26.80 |
| Norwegian..... | 38 | 27.95 | 26.80 |
| Swedish..... | 47¼ | 28.60 | 26.80 |

As indicated by the following figures, the yield of all the leading crops is in excess of that of last year, the production of corn and oats being larger than in any previous year. Wheat and cotton, however, fall considerably short of the average of the five-year period 1911-1915. The shortage of 146,564,000 bushels in the case of wheat is the more unfortunate in view of the urgent demand from the Entente countries to make up the expected deficiency of receipts from other sources. It is hoped, however, that the efforts now being made to curtail the domestic consumption will add considerably to the quantity of grain available for export. From the standpoint of the monetary return for farm products the year furnishes a remarkable record. According to figures given out by the Department of Agriculture, based on the preliminary crop estimate and on prices as at 1st November, they are worth \$21,000,000,000,

this being \$6,500,000,000 more than last year and exceeding the combined value of the farm products of any two previous years.

| | 1917 Government Estimate | 1916 Crop | 1911-1915 Average |
|-----------------------|--------------------------------|---------------|----------------------|
| Corn (bushels)..... | 3,191,083,000 | 2,583,241,000 | 2,754,164,000 |
| Wheat (bushels)..... | 659,797,000 | 639,886,000 | 806,361,000 |
| Oats (bushels)..... | 1,580,714,000 | 1,251,992,000 | 1,230,499,000 |
| Barley (bushels)..... | 201,659,000 | 180,927,000 | 197,211,000 |
| Cotton (bales)..... | 10,949,000 | 11,450,000 | 14,176,000 |

In well-informed circles these figures are regarded as subject to discount, but it is admitted that the money value of the farm production of the United States this year is double that of any year previous to 1916.

While on the subject of agriculture, we should like to refer briefly to the operations of the twelve Federal Land Banks which have been established under the provisions of the Federal Farm Loan Act passed in July, 1916. The purpose of this Act is to provide capital for agricultural development through Farm Loan Associations, which lend at a uniformly low rate of interest—at present $5\frac{1}{2}\%$, the rate having recently been advanced from 5% —against long term farm mortgages payable on the amortization plan. These banks are now making loans of approximately \$2,000,000 per week to the farmers of the United States, the loans made up to 1st December exceeding \$30,000,000. Applications for loans approximating \$200,000,000 have been received, and loans of about \$90,000,000 have been approved by the Federal Reserve Bank and are only awaiting the completion of the relative mortgages after appraisal has been made and titles verified. The money lent to the farmers is procured by the sale of tax exempt farm loan bonds, bearing $4\frac{1}{2}\%$ per cent. interest, of which approximately \$30,000,000 had been disposed of up to 1st December last.

Turning to the foreign trade of the country, we find that notwithstanding a falling off in exports in July, August and

September, due largely to government restrictions upon the exportation of certain classes of commodities, the balance of trade in favour of the United States for the eleven months ending 30th November amounted to \$2,911,741,000, an increase over the record figures for the corresponding period of 1916 of \$137,341,000, as shown by the following table:

| | Jan. to Nov. 1914 | Jan. to Nov. 1915 | Jan. to Nov. 1916 | Jan. to Nov. 1917 |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
| Imports... | \$1,674,896,000 | \$1,614,943,000 | \$2,186,800,000 | \$2,727,978,000 |
| Exports... | 1,868,452,000 | 3,198,268,000 | 4,961,200,000 | 5,639,719,000 |
| Excess of Exports..\$ | 193,556,000 | \$1,583,325,000 | \$2,774,400,000 | \$2,911,741,000 |

The marked development in the trade between the United States and South America since the war began is worthy of special mention. According to a recent compilation by the National City Bank, the total exports to South America in the eight months ending August aggregated \$188,000,000, against \$65,000,000 in the corresponding months of 1914, while imports were \$433,000,000, against \$157,000,000. The total trade of the United States with that continent in the eight months of 1917 was therefore \$620,000,000 as against \$222,000,000 in the corresponding months of 1914. Manufactured goods, it may be noted, form over 90 per cent. of these exports, whereas wool, hides, copper and nitrate account for a large proportion of the increase in the imports.

Among the more important features in connection with the development of the country's foreign business, apart from the establishment of bank branches abroad, are the facilities now offered in the form of credits granted by way of bank acceptances, and the establishment in New York of a discount market in which such acceptances may be sold. Undoubtedly if New York is to retain a part of London's former enviable position of banker and clearing house for the world, American bankers must not only continue to grant

dollar acceptance credits, but what is perhaps not so fully appreciated, yet is vitally important, they must improve the discount market for these acceptances. However, despite the fact that this market is not as broad as it might be, the progress made has been truly remarkable, when it is remembered that prior to 1915 dollar acceptances were practically unknown and that there was no discount market here. It is estimated that there are now outstanding about \$350,000,000 in acceptances of American banks and trust companies, to which must be added the acceptances of numerous private banking firms and agencies of foreign banks. Great credit is due the Federal Reserve Banks for their efforts and far-sighted policy in expediting the development of this important and far-reaching phase of international trade.

The transition to a war basis has necessitated a marked readjustment in nearly all lines of industry but, notwithstanding the hampering effect of labour shortage, inadequate transportation facilities and the difficulty of obtaining materials, the past year, under the stimulus of immense government orders, has created a new high record in the way of industrial activity. With labour fully employed at high wages and the farming community never so prosperous, general trade has been active, although the high level of prices has caused merchants to exercise more than ordinary caution in making commitments. The satisfactory conditions that have existed throughout the year are evidenced by largely increased gross railway earnings, to which further reference is made hereafter; by the bank clearings, which for the eleven months ending 30th November aggregated \$278,090,043,000, as compared with \$232,783,446,000 and \$127,455,000,000 for the corresponding periods of 1916 and 1915 respectively; and by the record of business failures which, according to Bradstreet's, numbered 12,043 in the first eleven months of 1917, as

compared with 15,149 in the corresponding period of 1916 and 17,447 in 1915.

The most serious domestic problem confronting the nation, and one closely related to the winning of the war, is that of the railways, the revenue of which for many years has been so restricted as a result of government rate regulation that proper maintenance and reasonable extensions have been impossible. Consequently, at a time when adequate transportation facilities are so urgently needed in connection with the war requirements of the nation, the railroads are sadly lacking in much of the equipment which is essential to handling the enormous amount of freight that they are required to carry. At the same time the credit of the railways has been so seriously impaired that they are unable to command the capital that is required to supply the deficiency. In spite of the efforts which have been made under the capable direction of the Railway War Board, the congestion of traffic, principally upon the roads covering the north-eastern portion of the country between Chicago and the Atlantic sea-board, has become so serious as to necessitate drastic remedies. The Interstate Commerce Commission has recently recommended to Congress the operation of all the railways of the country as a unit during the period of the war, and the extension of loans to needy railways out of the United States Treasury, but it remains to be seen what action will be taken in the matter.

A noteworthy indication of the increased cost of railway operation is furnished by the gross earnings of the railroads having an annual gross revenue of \$1,000,000 or more. These for the nine months ending 30th September aggregated \$2,969,769,680, as compared with \$2,662,795,828 in the corresponding months of 1916, notwithstanding which, owing to the increase in operating charges, particularly wages and cost of materials, the net revenue decreased from \$785,895,811 to \$735,688,542.

The continued rise in commodity prices is indicated by the index numbers of Dun, Bradstreet and Sauerbeck. Dun's rating showed for October an index number of 220.750, compared with 164.840 in October of 1916; Bradstreet's 17.0701, as against 12.7992; and Sauerbeck, 180.1, compared with 141.5.

An interesting political event of the past year, which has been overshadowed by others of more importance, is the purchase of the Danish West Indian Islands for a consideration of \$25,000,000. The negotiations were first started in 1901, but were not completed until 31st March last. The importance of these islands (which are known as the Virgin Islands) lies in their geographical location and the fact that the harbor of St. Thomas may be made a first-class naval port for the protection of the Panama route, as well as a station for merchant vessels plying between the United States and South America.

With Russia out of the war as an effective combatant for some time to come, if not entirely, it is evident that the United States will be called upon to shoulder a much greater burden in connection with the war than was at first anticipated. According to a very interesting booklet recently published by the Mechanics & Metals National Bank entitled "The Cost of the War," the material wealth of the country is \$250,000,000,000, or twice the combined wealth of Germany and Austria-Hungary, and while it must be recognized that the effectiveness of this enormous force is dependent upon a wise use of the nation's credit, yet when the adaptability, resourcefulness and energy of its people are considered, there need be no lack of confidence as to their ability to solve the many problems that lie before them, and that with the assistance of the United States the war will be brought by the Allies to a successful conclusion.

II

The general condition of business in Washington, Oregon and California has been excellent, better indeed than for many years, and in all three States one of the main industrial features incidental to the war has been the inauguration and rapid expansion of shipbuilding, with an accompanying increase of population and the introduction of related industries. There are now 299 vessels of a total deadweight capacity of 1,693,100 tons and four warships of 23,000 tons displacement under construction or under contract, estimated to cost \$280,000,000. In this, as in other industries, labour troubles have occurred, involving serious loss.

Washington is one of the largest producers of lumber in the United States and has within its boundaries 365,000,-000,000 feet of standing timber with an annual output of 3,500,000,000 feet. The conditions in this industry have been rather uncertain; a strike occurred lasting for three months, and although the demand has been active it has been difficult to secure cars and almost impossible to charter tonnage. As a natural result of the activity in shipbuilding, the class of timber required for the purpose has advanced in price, but the price of shingles has been rather below the normal.

The Alaska salmon pack has been well up to expectations, but elsewhere the run of sockeyes has, as described in our report on British Columbia, fallen off very much, owing partly to over-fishing on Puget Sound and partly to the serious lack of co-operation between the Canadian and United States Governments in protecting the fish. On the whole it is expected that the cannery will make money, and although the cost of labour and materials has increased considerably, the selling price has advanced in greater proportion, and at the time of writing 75 per cent. of the pack has been sold. Fresh salmon also is fetching a better price. This year the Government has commandeered up to

date 10 per cent. of the salmon pack and it is expected that they will fix the price throughout 1918. The total pack of salmon on the Pacific coast, excluding British Columbia, but including Alaska, is placed at 8,690,000 cases as compared with 5,950,000 cases in 1916. Of this the Alaska pack constitutes approximately three-quarters.

Apples, which are the principal fruit crop in Washington, have been small and more or less difficult to dispose of, though there is some compensation in the higher prices; the size of the crop is at present almost impossible to estimate. Here, as in Oregon, the production of hops has been much curtailed.

The deposits of the banks are growing rapidly and clearings show an increase of nearly 30 per cent. for the ten months to 31st October.

In discussing the grain crop we deal with the three States of Washington, Oregon and Idaho together, as they are the main producers of wheat on this side of the Rocky Mountains. The crop has been a marked disappointment; 70,000,000 bushels were expected, but 45,000,000 bushels only were produced, as compared with 54,250,000 bushels in 1916, and in addition the grade was below normal. The Government has taken over practically the entire crop in the United States at fixed prices, and is having the grain ground, allowing the millers a profit of 25 cents per barrel of flour and 50 cents per ton of mill feed. An addition of 500,000 acres next season to the normal area under crop is encouraging. The crop of barley decreased by 3,000,000 bushels and is of only fair quality, but prices have ruled high. Of oats 24,000,000 bushels have been raised, as compared with over 30,000,000 bushels in 1916, but the quality is below par; the high price, however, compensates for the shortage.

In Oregon about three-fifths of the previous year's acreage of hops has been replanted, but the market was uncertain and prices have fluctuated between 14 cents for

the product of 1916 and 40 cents for that of 1917. The quantity produced this year fell to 25,000 bales as compared with 95,000 bales in 1916, as a result of prohibition and of uncertainty as to the attitude of the Federal Government.

The sales of Douglas fir have been larger than in the past ten years, but market conditions, as in Washington, have been distinctly erratic. The demand for high-grade spruce for aeroplanes continues active.

Real estate has been dull, building permits for the first ten months of the year amounting to a little over \$3,000,000, as compared with \$6,300,000 in 1916.

In California farmers have received satisfactory returns, and while it is not a wheat-growing State it produced this year 10,000,000 bushels of wheat and 40,000,000 bushels of barley. The fruit-growers, although they have prospered, have found the season a difficult one because of the scarcity and resulting high price of labour and the extra cost of all supplies; in addition, in some cases the fruit ripened too quickly through unusually warm weather. At the present time one difficulty is the lack of shipping facilities because of the shortage of railway cars. On the whole the canners have done well; sales have been readily made and the demand for both fruit and vegetables is stronger than probably ever before known. The lumber trade is inactive; the domestic demand has fallen to about 50 per cent. of its usual amount; the demand for export is quite strong, but in this case a serious lack of tonnage has been encountered. There has been considerable activity in mining, especially in the production of oil, which is included under this heading, but owing to extensive litigation over the titles to oil lands the industry has been in an unsatisfactory condition. Copper has been particularly active, the total yield for the State being estimated at \$20,000,000. The production of gold is expected to show a decrease of over \$4,000,000 as compared with the figures of last year, which were given as \$25,000,000.

Each year has constituted a new record in the production of rice, the estimate for this year being 5,120,000 bushels, as against 2,800,000 bushels in 1916. The production of sugar beets is also steadily on the increase; last year the crop was 90,000 tons and this year it is estimated at 427,000 tons. The value of the products of the soil in California, including minerals, is estimated at \$700,000,000.

In 1916 the total resources of the banks increased \$89,000,000, while in 1917 there was an additional increase of \$111,000,000, the total now standing at \$929,000,000. The enhanced cost of wages and materials, and the congestion of traffic have necessitated their making larger advances to their customers than has been usual in the past.

The business of the Hawaiian Islands is closely related to that of California, and while the figures assigned to the sugar crop of 1917, namely 637,182 short tons, exhibit an increase of approximately 50,000 tons over those of 1916, there has been a very severe drought during a considerable portion of this year and it is estimated that there will be a decrease of 90,000 tons in the crop of 1918. Labour in the Islands has increased in cost by 78 per cent., an advance in wages amounting to approximately \$7,000,000 having been found necessary.

GREAT BRITAIN

The cumulative effect of the efforts of Great Britain since the beginning of the war has been fully demonstrated during the past year. Notwithstanding the very heavy draft on man power for the army and navy, the country has increased its production and has not only borne the heavy burden of raising loans sufficient for its own requirements, but has steadily continued to extend financial assistance to the European Allies.

At the beginning of 1917 it was clear that the burden upon Great Britain of financing the growing cost of the war during the year would be extremely heavy. The first step

taken was the issue of the 5% War Loan, which was a pronounced success, the amount of money received, including conversions, being £2,121,229,000 from over 8,000,000 subscribers. This not only made it possible to fund a considerable portion of the floating debt, which had assumed unwieldy proportions, but also provided funds for new expenditure for a further period. When the proceeds of this loan were exhausted the policy of continuous day to day borrowing was resumed, by issuing Treasury Bills and Exchequer Bonds.

The most pressing problem was to provide payment for the imports, and as such large supplies were purchased in the United States it was very important to keep the American exchange steady, a task which was rendered more difficult by the fact that the requirements of the Allies had to a large extent to be financed through that centre. Large amounts of gold and of foreign securities suitable for sale or as collateral security for advances were shipped to the United States. An appeal, which met with a patriotic response, was made to holders in this country to sell or lend such securities to the Government, but the amounts available were not sufficient for their requirements, as was proved when an attempt to increase the supply by making the sale compulsory had no appreciable results. The entry of the United States into the war on 2nd April, however, brought about a great change in the situation, as it was immediately recognised that the assistance of the immense financial resources of that country would be freely offered to the Allies. The extent of this assistance is indicated by the advances already made and by the credit proposed for the period up to 30th June, 1918, the total of the two being \$7,000,000,000 (£1,400,000).

As it was no longer necessary to remit large amounts abroad, the task of providing for internal expenditure became much easier. Sufficient money was not being realized, however, from sales of Exchequer Bonds, and as

the amount of Treasury Bills outstanding had again reached large figures, a new method of raising money had to be found. The issue of Exchequer Bonds, therefore, was discontinued and a new issue of National War Bonds was announced as follows:—5% bonds at par, subject to income tax except in the case of foreign holders, maturing in five, seven, or ten years, and redeemable at 102, 103 or 105 respectively; or 4% bonds at par free of tax, maturing in ten years and redeemable at 100. The amount of bonds issued from 2nd October to 10th November was £93,914,550, and strong efforts are being made to increase the sales.

The amount of Treasury Bills outstanding at 10th November and maturing within six months was £1,004,988,000. The market requirements readily absorb a large amount of these bills, especially as the supply of commercial bills is so much smaller than the amount current in normal times. A large demand also is created by the accumulation of funds to meet taxes and excess profits duty, as this money can be invested only for a very short period before it has to be turned over to the Government. In view of these demands, therefore, no difficulty should be experienced in issuing fresh bills from time to time in renewal of maturities. A further reason advanced to justify the policy of financing by the issue of Treasury Bills to such a large extent is that the Government by exercising control over imports has become a dealer in commodities, and that the amount raised in this way is largely invested in supplies which will be disposed of in due course.

Sales of securities in small denominations have realized an appreciable sum of money during the year. This is largely due to the efforts of the National War Savings Committee, which has been carrying on an active campaign for the promotion of thrift and economy. These securities, for the sake of convenience, are issued through the Post

Office, and, by the formation of 40,000 War Savings Associations throughout the country, comprising 120,000 workers and a total membership of 4,000,000, and by advertisements in the newspapers and the circulation of leaflets, an appeal has been made to the small investor. The result is that sales of War Savings Certificates, Exchequer Bonds and National War Bonds, since they were first issued in 1916, amount to approximately £175,000,000.

If the general mass of workers who are now receiving such high wages could be induced to save to a greater extent, very important results would be obtained, as not only would they contribute towards the cost of the war, but in the future they would supply new capital, for which there will be a great demand after the war, and which can be produced only from the savings of the people.

In addition to internal financing, since the beginning of the war the following loans to pay for imports have been obtained abroad:—

United States: In addition to secured loans which are offset by the value of the securities hypothecated, and to the Anglo-French loan of \$500,000,000, the United States Government, since declaring war, has advanced to Great Britain up to 1st November \$1,860,000,000 (£372,000,000).

Canada: Advances and credits granted by the Dominion Government and the banks for munitions and food supplies up to 1st November amounted to approximately \$600,000,000 (£120,000,000).

India: In March, 1917, the Government of India offered a contribution of £100,000,000 towards the cost of the war, raising a domestic loan of as large an amount as possible and assuming responsibility for the charges on an amount of the British War Loan equal to the difference between the amount of the Indian Loan and £100,000,000. The amount realized was £34,000,000

and the balance of £66,000,000 is now regarded as a liability of India to Great Britain.

Japan: Towards the end of 1916 a loan for £10,000,000 was issued through banks in Japan, the proceeds of which were remitted to the United States for credit of the British Government.

For the financial year ending 31st March, 1918, the budget estimate was £2,290,381,000 for expenditure and £638,600,000 for revenue, leaving £1,651,781,000 to be raised by loans. The daily expenditure, owing principally to the increase in the size of the army, has been steadily growing, and now approaches £7,500,000. This represents the amount the Government has to provide, although it must be remembered that a part, probably £2,000,000, represents advances and is, therefore, recoverable expenditure, bringing the net amount of the daily expenditure down to £5,500,000. It was very difficult to form a reliable estimate of the revenue owing to the uncertainty as to what sum the excess profits duty would produce, and the budget estimate of expenditure for the year will probably be largely exceeded. Under these circumstances a close estimate of the expenditure and revenue over either the calendar year or the financial year is impossible at present, but an idea of how enormously the cost of the war exceeds normal peace expenditure can best be gathered from figures recently furnished by the Chancellor of the Exchequer from the beginning of the war up to 29th September, 1917. The total National Debt is now approximately £5,000,000,000. Loans to the Allies amount to £1,100,000,000, to the Dominions £160,000,000, and to India £66,000,000, a total of £1,326,000,000. Deducting these advances and the pre-war National Debt of £645,000,000, the net increase in the National Debt is, roughly, £3,000,000,000. In considering these figures, however, it should not be overlooked that the heavy taxes imposed produce much more than was required

for normal peace expenditure and thus about one-third of the cost of the war is being met by taxation.

The question of controlling the expenditure is an extremely difficult one, principally because of the paramount importance of making every effort to win the war and the danger of hampering such efforts by stinting the supply of money available. A Committee appointed by Parliament has recently issued its report which shows that the expenditure of money, especially by the Ministry of Munitions, has been lavish, and that the control exercised by Parliament and the Treasury has been insufficient. It is hoped that the recommendations of the Committee will pave the way for improvement in controlling the national expenditure, especially in view of the steadily increasing cost of the war.

The banking system has during the past year proved fully equal to the strain imposed upon it by war finance. The issue of enormous Government loans and the collection of heavy taxes, etc., have not at any time caused acute stringency in the money market, as methods were adopted for the prompt release of the sums which were transferred to the credit of the Government, and the flow of money in and out of the central institution has been automatically regulated by the excellent arrangements carried out by the Bank of England in co-operation with the large joint stock banks, so as to meet any increased demands of the market or to absorb any excess supplies of money. In consequence, except at one period of the year when adjustment was necessary owing to a change in the Bank rate, rates for money have fluctuated within very narrow limits. At present the Bank of England minimum rate of discount is 5%, rates for day to day and short loans are 4 to 4¼% and the bankers' short deposit rate is 4%.

As all the banks do not prepare their annual statements at the same date and as no monthly statements are now

issued, it is not possible to give exact figures showing the total banking resources of the country. The trend of the changes in the complexion of the balance sheets is indicated, however, in the following figures compiled by the "Statist" from the statements of twenty-eight banks of the United Kingdom as at 30th June:—

| | 1914 | 1916 | 1917 |
|--------------------|--------------|----------------|----------------|
| Deposits..... | £863,288,000 | £1,069,451,000 | £1,152,356,000 |
| Cash Reserves..... | 238,822,000 | 296,900,000 | 294,458,000 |
| Investments..... | 150,599,000 | 328,228,000 | 309,023,000 |
| Loans..... | 542,722,000 | 517,762,000 | 623,373,000 |

It will be seen from the above figures that the banks continue to carry large cash reserves and a high percentage of liquid assets.

The volume of business handled is shown by the Bankers' Clearing House returns for London, which include town, metropolitan and country cheques, the aggregate from the beginning of the year up to 14th November being £16,662,309,000, which is an increase of £3,437,803,000 over the corresponding period last year and of £1,387,263,000 over £15,275,046,000, the total for the whole of 1916.

Instead of subscribing to the War Loan issued early in the year, the result of which would have been to increase their fixed investments and create a similar amount of additional credit, the banks assisted in making the loan a success by lending freely to their customers, thus enabling the latter to subscribe by anticipating their incomes for a considerable period. This policy served a double purpose, in avoiding inflation of credit and in encouraging the public to save.

Ever since the beginning of the war the banks have continued a progressive policy by the development of their foreign departments and by the opening of branches and the establishment of subsidiary companies in France and Spain,

with a view to assisting foreign trade. By the acquisition of Irish banks, the field in Ireland has also been entered.

To foster closer relations between this country and the United States, an arrangement has been concluded between the Bank of England and the Federal Reserve Bank of New York so that each becomes the agent of the other for banking purposes in its respective country.

Owing to the steps taken to control the supply of money, the fluctuations in the figures of the Bank of England statement have not the same significance as formerly with respect to the condition of the market. As a matter of interest, however, a comparative statement is appended:—

| | 1914 29th July | 1916 22nd November | 1917 14th November |
|-----------------------|-------------------|-----------------------|-----------------------|
| Coin and Bullion..... | £ 38,131,544 | £ 56,408,033 | £ 55,605,343 |
| Circulation..... | 29,706,350 | 36,919,590 | 42,358,585 |
| Deposits..... | 67,132,125 | 160,998,373 | 162,735,853 |
| Securities..... | 58,312,656 | 140,822,004 | 148,824,342 |
| Reserve..... | 26,875,194 | 37,938,443 | 31,696,758 |
| Rates of Reserve..... | 40% | 23½% | 19½% |

The stock of gold now on hand amounts to £55,605,000 and in addition £28,500,000 of gold is held as a reserve against currency notes issued, so that the total visible supply of gold is £84,105,000.

There has been a large increase in the amount of money in circulation, as a result of the more active industrial conditions brought about by the war. The note issue of the Bank of England shows an increase of £12,652,000 since July, 1914, and the circulation of Treasury Notes for £1 and 10 shillings, which were issued to replace the gold withdrawn from circulation and to meet the growing demand for small currency, has steadily expanded week by week, the total amount outstanding at 14th November being £191,352,528.

The foreign exchanges have proved a very interesting study. Owing to the fact that there has been no free movement of gold from this country, partly on account of the difficulty and high cost of securing freight and insurance and partly on account of Government restrictions, old theories regarding exchange do not apply under present conditions. While efforts to stabilize American exchange have been continued with success, in view of the willingness of the United States after their entry into the war to sell their products to the Allies on credit, it was not considered necessary to maintain high rates here in order to attract money to this centre and thus influence the exchange with that country; and accordingly the Bank rate was reduced from six to five per cent. on 5th April. One difficulty that arose was the selling of sterling exchange in New York against foreign balances here and the consequent export of gold from the United States to neutral countries and to Japan. These operations, however, were checked by the action of the United States in prohibiting the export of gold except under license, and it is now understood that licenses are granted only for shipments in payment of actual trade obligations.

Apart from allowing current rates of interest on balances here, no attempt has been made to check the continued adverse movements in the neutral exchanges—in fact, under existing conditions the weakness of these exchanges is in some respects considered not injurious to the interests of this country, as on account of the cost of transfer, it tends to prevent the withdrawal of balances here, and further, it enables the holders of the securities of those countries to realize at high prices. Another feature is that the neutral exchanges have been largely influenced by political considerations, and the deliberate action of Great Britain and the United States in tightening the blockade, by refusing to permit exports to neutral countries except under a sufficient guarantee that the supplies would not reach the enemy,

recently caused the exchanges to fall to figures unwarranted by the actual trade balances. The extent of these fluctuations is shown in the following table of rates:—

| | Rate just prior to War | 10th Nov. 1916 | 10th Nov. 1917 | Gold Parity |
|------------------|---------------------------|--------------------|--------------------|---------------------|
| France..... | 25.18 | 27.79 | 27.41 | 25.22 $\frac{1}{4}$ |
| Italy..... | 25.30 | 31.52 | 39.20 | 25.22 $\frac{1}{4}$ |
| Russia..... | 96.10 | 163.00 | 387.00 | 94.62 |
| Holland..... | 12.14 | 11.62 | 10.62 | 12.109 |
| Denmark..... | 18.27 | 17.60 | 13.40 | 18.25 |
| Sweden..... | 18.27 | 16.78 | 11.12 | 18.25 |
| Norway..... | 18.27 | 17.19 | 13.32 | 18.25 |
| Spain..... | 26.15 | 23.32 | 20.22 | 25.22 $\frac{1}{4}$ |
| Switzerland.... | 25.18 | 24.83 | 21.32 | 25.22 $\frac{1}{4}$ |
| United States... | 4.88 | 4.76 $\frac{3}{8}$ | 4.76 $\frac{3}{8}$ | 4.86 $\frac{5}{8}$ |

The Treasury continues to exercise strict control over new issues and consequently appeals for new capital, apart from British Government issues, have been very moderate in amount. The following figures compiled by the "Statist" up to 17th November show the purposes for which new issues have been sanctioned:—

| | |
|---------------------------------------|-------------------|
| Foreign and Colonial Governments..... | £11,596,000 |
| Foreign Railways..... | 490,000 |
| Banks..... | 1,500,000 |
| Manufacturing, etc..... | 4,444,000 |
| Engineering, etc..... | 2,446,000 |
| Public Utilities..... | 952,000 |
| Miscellaneous..... | 156,000 |
| | <hr/> £21,584,000 |

The position of the security market continues sound and no minimum prices are in force. All transactions being confined to dealings for cash and the banks being unwilling lenders against stock exchange securities, there has been practically no speculation. While many securities are difficult, if not impossible, to sell at the market quotations there has been no evidence of forced liquidation, and it is equally true that wherever there is a demand for securities, as in connection with the investment of sinking funds, the market is found to be bare of stock. The increasing

attractiveness of the terms offered by the Government each time it is found necessary to bring out a fresh issue of securities, has an unfavourable effect on the prices of other investment securities, and there has been a further shrinkage in values as indicated by the following figures taken from the "Bankers' Magazine", showing the aggregate value of 387 representative securities:—

| | | |
|----------|-----------|----------------|
| July | 1914..... | £3,370,000,000 |
| November | 1916..... | 2,797,000,000 |
| October | 1917..... | 2,688,000,000 |

A table of imports and exports is given below, but the comparative value of the figures is lessened by the inclusion since last July of imports and exports on government account, except the exports of supplies for the army:—

| | Imports | Exports including Re-exports |
|------------|--------------|------------------------------------|
| 1913..... | £768,734,739 | £634,820,326 |
| 1914..... | 696,635,113 | 526,195,523 |
| 1915..... | 851,893,350 | 483,930,629 |
| 1916..... | 949,152,679 | 604,154,714 |
| 1917*..... | 870,833,391 | 507,409,316 |

*10 months ending October, 1917.

During the early part of the year the steady increase in imports and the consequent growth in the adverse balance of trade caused much anxiety owing to difficulties of finance, but in this respect also the entry of the United States into the war brought relief to the situation. Until, however, this country can produce more food, little reduction in imports is to be expected. A more satisfactory feature of the returns is the maintenance of the exports, which, in face of the necessity of employing such large numbers of unskilled men and women, is an evidence of productive capacity that before the war would have been considered unattainable. The lessons taught by these experiences have led to the consideration of many plans which have been suggested for the future:

(1) There is a movement towards co-operation in various industries in order to specialize and thus to maintain the maximum output and to reduce working costs.

(2) Standing industrial councils, upon which both employers and workmen will be represented, are being formed in connection with various industries with a view to promoting better relations between capital and labour. These councils will act in a consultative capacity with the Government, and in this connection a Ministry of Reconstruction has been established in Parliament.

(3) A comprehensive scheme is under consideration by the Government—for the building of workmen's cottages, as it is universally conceded that the working man must in future receive a higher wage, and live under better conditions, than in the pre-war period.

(4) An Imperial Trust has been created for the encouragement of scientific and industrial research, to which the Government has made a grant of £1,000,000, the expenditure of which is to be spread over the next five or six years. Assistance will be given to individual research workers and to associations formed on a co-operative basis in connection with the different trades; inventors will also be helped to perfect for commercial use processes or devices after they have been patented.

(5) An Imperial Mineral Resources Bureau, on which the Dominions are to be represented by their High Commissioners, has been established to ascertain the mineral resources and metal requirements of the Empire with a view to developing the one so as to meet the other.

(6) A charter was granted this year to The British Trade Corporation, which has been formed to encourage

foreign trade and to assist new enterprises, and the capital has already been subscribed.

(7) A Commercial Intelligence Department has been formed under the control of the Foreign Office and the Board of Trade for the collection and diffusion of information regarding foreign trade.

(8) To facilitate foreign trade the adoption of a decimal system of coinage and of a metric system of weights and measures is being considered.

(9) A suggestion has been put forward to use coal at the pit mouth for the production of power to be distributed over the country for industrial purposes, thus avoiding the high cost of distribution of coal.

Taking as a basis the area of arable land in 1872, the programme of the Government at the beginning of 1917 aimed at the breaking up of 4,250,000 acres of grass land in the United Kingdom as rapidly as possible in order to reach, if possible by 1918 or at least in 1919, a position under which sufficient food would be produced within the country to make it self-supporting, thus avoiding the necessity of importing supplies. A good start was made this year, over 1,000,000 acres having been brought under cultivation. Unfortunately, however, the spring was backward and the harvest season was very wet, but in spite of these unfavourable conditions, root crops were abundant and the total yield of cereals was greater than that of last year.

Owing to the increasing difficulty of importing supplies, due to the loss of tonnage, the increase in the cost of living was becoming very serious and the Ministry of Food therefore brought all the principal food-stuffs under control. Some relief was secured by arbitrarily fixing prices for the production and distribution of commodities, but there is still great necessity for economy. The index numbers of the wholesale prices of 45 commodities, compiled by the

"Statist," based upon 100 as the average for the eleven years 1867-1877, were 82.4 in July, 1914, 159.3 in January, 1917, and 180.1 in October, 1917. Continual and increasing efforts are being put forth by the Food Controller in appeals to the public to avoid waste of food and to adopt a system of voluntary rationing, but unless an immediate response is made to this appeal it will probably be necessary to make rationing compulsory.

Too much importance cannot be attached to the steps that may be taken in the United States and Canada towards conserving food-stuffs, with a view to increasing the amount available for export to the Allies. The shortage of food, with which all the belligerents are confronted, and the difficulty of increasing production, owing to the lack of available man power, may hasten, or even prove the dominating factor, in bringing about a cessation of hostilities.

Through the destruction of ships by mines and submarines the point is being approached, if it has not already been reached, where it is vitally necessary that new construction should be at least equal to the rate of destruction in future. For obvious reasons exact figures of the loss of tonnage or of new construction are not made public, but a general idea of the position at present may be gained from official statements made from time to time, although these are invariably made with reservations. As regards losses, it has been officially stated that the total net reduction in British tonnage on the official register since the beginning of the war, from all causes, is under 2,500,000 tons gross in ships over 1,600 tons, while in other quarters it has been estimated that the total net loss of British, Allied and neutral tonnage during the same period has been such that there is now available about 5,000,000 tons less than in 1913. On the other hand, according to official statements, construction in this country of naval and mercantile tonnage in 1917 has been almost equal to that of the best year in the history

of the country. In normal times the capacity of the ship-building yards of the United Kingdom was about 2,000,000 tons. It is proposed to establish four new national ship-building yards and by constructing standard vessels, of which 1,000,000 tons have already been ordered, an increased output is hoped for next year. Assistance in replacing tonnage is expected from the United States, and including provision for the requirements of their army it is estimated that not less than 6,000,000 tons should be constructed in that country next year.

In the foregoing an attempt has been made to describe the nature and extent of the efforts of this country in finance and industry. The tremendous activity in war industries has created a condition of prosperity more apparent than real, and state control of industries, of prices and of supplies of commodities, tends further to obscure the real position resulting from the enormous debt which has been incurred and the consequent annual charge for interest and sinking fund which will necessitate the levy of heavy taxes for years to come. On the other hand, there are few signs of war weariness, and the resourcefulness and steadfast courage of the nation beget a feeling of confidence that Great Britain will emerge victorious from the world conflict now raging, and surmount any difficulties that may arise during the period of demobilization and return to industry.

DIAGRAMS AND STATISTICS
ILLUSTRATIVE OF THE TRADE AND NATURAL
RESOURCES OF CANADA

MOSTLY REPRINTED FROM THE
MONTHLY COMMERCIAL LETTERS

ISSUED BY THE BANK

THE CANADIAN BANK OF COMMERCE

GOVERNMENT REVENUE AND EXPENDITURE

| | Month of November | | 8 months ending November | |
|---------------------|---------------------|---------------------|--------------------------|----------------------|
| REVENUE | 1917 | 1916 | 1917 | 1916 |
| Customs..... | \$11,578,588 | \$11,208,109 | \$103,343,711 | \$86,399,360 |
| Excise..... | 2,529,014 | 2,145,574 | 17,070,344 | 16,130,867 |
| Post Office... | 1,700,000 | 1,600,000 | 12,550,000 | 11,950,000 |
| Public Works | 3,036,076 | 2,560,881 | 20,602,142 | 17,661,569 |
| Miscellaneous | 5,479,268 | 5,650,201 | 16,475,809 | 12,770,777 |
| | <u>\$24,322,946</u> | <u>\$23,164,765</u> | <u>\$170,042,006</u> | <u>\$144,912,573</u> |
| EXPENDITURE.. | 12,922,635 | 12,006,457 | 79,566,863 | 69,567,574 |
| CAPITAL EXPENDITURE | | | | |
| War..... | \$18,714,473 | \$19,040,384 | \$151,969,271 | \$146,527,531 |
| Public Works | 2,082,553 | 2,457,552 | 12,681,795 | 15,997,789 |
| Rail Subsidies | 338,893 | | 698,205 | 363,478 |
| | <u>\$21,135,919</u> | <u>\$21,497,936</u> | <u>\$165,349,271</u> | <u>\$162,888,798</u> |
| | 30th November, 1917 | 31st October, 1917 | 30th November, 1916 | |
| NET DEBT.... | \$958,000,701 | \$948,236,872 | \$706,128,082 | |

THE BANK STATEMENT

| | 30th Nov., 1917 | 31st Oct., 1917 | 30th Nov., 1916 |
|------------------------------------|------------------------|------------------------|------------------------|
| ASSETS | | | |
| Cash and Bank Balances | \$464,790,170 | \$415,973,866 | \$347,745,789 |
| Bank Balances Abroad. | 76,241,771 | 73,571,489 | 75,692,582 |
| Call and Short Loans... | 212,010,897 | 222,672,466 | 272,645,759 |
| Securities..... | 470,128,272 | 421,469,743 | 260,411,972 |
| Loans in Canada..... | 918,561,634 | 939,166,164 | 856,361,134 |
| Loans Abroad..... | 95,954,524 | 93,821,865 | 76,087,370 |
| Other Assets..... | 82,583,557 | 78,202,292 | 68,566,715 |
| | <u>\$2,320,270,825</u> | <u>\$2,244,877,885</u> | <u>\$1,957,511,321</u> |
| LIABILITIES | | | |
| Note Circulation..... | \$196,135,810 | \$189,852,907 | \$148,197,971 |
| Deposits | | | |
| Government..... | 90,470,598 | 84,535,384 | 63,271,032 |
| Public in Canada.... | 1,547,527,236 | 1,480,849,299 | 1,295,870,723 |
| Foreign..... | 175,645,013 | 181,799,457 | 162,207,247 |
| Bank Balances | | | |
| Canadian..... | 11,552,798 | 9,170,956 | 8,955,789 |
| Foreign..... | 22,949,548 | 23,856,027 | 18,751,031 |
| Bills Payable and Acceptances..... | 25,273,948 | 20,808,778 | 14,700,726 |
| Other Liabilities..... | 8,546,208 | 4,076,070 | 4,260,333 |
| Capital and Rest..... | 225,716,523 | 225,187,422 | 226,598,262 |
| | <u>\$2,303,817,682</u> | <u>\$2,220,136,300</u> | <u>\$1,942,813,114</u> |

THE CANADIAN BANK OF COMMERCE

xc1

FOREIGN TRADE

| | Month of November, | | Twelve Months ending November, | |
|------------------|----------------------|----------------------|-----------------------------------|------------------------|
| IMPORTS | 1917 | 1916 | 1917 | 1916 |
| Merchandise.. | \$72,708,439 | \$72,579,445 | \$1,011,400,102 | \$744,291,699 |
| Coin and Bullion | 941,944 | 1,411,478 | 15,288,446 | 46,170,398 |
| Total Imports. | <u>\$73,650,383</u> | <u>\$73,990,923</u> | <u>\$1,026,688,548</u> | <u>\$790,462,097</u> |
| EXPORTS | | | | |
| Can. Produce | \$187,315,515 | \$109,558,950 | \$1,529,056,110 | \$1,053,840,631 |
| Foreign " | 7,442,978 | 2,243,423 | 46,176,896 | 19,664,969 |
| Total Mdse. | <u>\$194,758,493</u> | <u>\$111,802,373</u> | <u>\$1,575,233,006</u> | <u>\$1,073,505,600</u> |
| Coin and Bullion | 132,687 | 161,709 | 3,261,872 | 196,422,615 |
| Total Exports | <u>\$194,891,180</u> | <u>\$111,964,082</u> | <u>\$1,578,494,878</u> | <u>\$1,269,928,215</u> |

GRAIN IN TERMINAL AND PUBLIC ELEVATORS

| | Wheat Bushels | Other Grain Bushels | Total Bushels |
|-----------------------|------------------|------------------------|------------------|
| December 28, 1917.... | 21,520,231 | 10,334,124 | 31,854,355 |
| December 29, 1916.... | 23,974,762 | 22,644,362 | 46,619,124 |
| December 30, 1915.... | 27,187,173 | 15,230,216 | 42,417,389 |

CANADIAN SECURITY ISSUES

(Compiled from figures furnished by the Dominion Securities Corporation.)

| | Dominion Government | Provincial Government | Municipal |
|-----------|------------------------|--------------------------|---------------|
| 1909..... | \$ 80,000,000 | \$ 16,447,224 | \$ 36,278,528 |
| 1910..... | 45,000,000 | 10,000,000 | 35,748,690 |
| 1911..... | | 5,675,000 | 47,159,288 |
| 1912..... | 25,000,000 | 10,639,700 | 48,414,962 |
| 1913..... | 34,066,666 | 18,999,884 | 115,761,925 |
| 1914..... | 48,666,666 | 36,748,664 | 84,388,431 |
| 1915..... | 169,333,333 | 45,480,800 | 66,508,073 |
| 1916..... | 178,500,000 | 30,121,933 | 49,893,763 |
| 1917..... | 659,882,500 | 15,300,000 | 26,104,067 |
| | Railway | Miscellaneous | Total |
| 1909..... | \$ 41,825,000 | \$ 90,607,500 | \$265,158,252 |
| 1910..... | 69,950,000 | 70,301,900 | 231,000,590 |
| 1911..... | 100,472,700 | 113,506,000 | 266,812,988 |
| 1912..... | 69,972,320 | 118,911,000 | 272,937,982 |
| 1913..... | 108,528,044 | 96,438,776 | 373,795,295 |
| 1914..... | 59,405,666 | 43,725,640 | 272,935,067 |
| 1915..... | 37,915,665 | 22,655,000 | 341,892,871 |
| 1916..... | 15,920,000 | 42,481,666 | 316,917,362 |
| 1917..... | 22,566,666 | 32,492,800 | 756,340,033 |

TOTALS OF CLEARING HOUSES IN CANADA

| | 1917 | 1916 |
|----------------------|-------------------------|-------------------------|
| Brandon..... | \$30,429,612 | \$28,922,518 |
| Brantford..... | 42,061,218 | 34,257,455 |
| Calgary..... | 348,663,426 | 233,097,671 |
| Edmonton..... | 142,606,766 | 114,345,955 |
| Fort William..... | 34,224,050 | 27,472,166 |
| Halifax..... | 151,812,750 | 125,997,877 |
| Hamilton..... | 244,401,339 | 200,811,087 |
| Kitchener..... | 30,268,616 | 26,066,436 |
| Lethbridge..... | 45,021,069 | 31,638,543 |
| London..... | 112,664,207 | 100,090,560 |
| Medicine Hat..... | 29,716,162 | 21,670,502 |
| Montreal..... | 4,188,255,210 | 3,722,609,663 |
| Moosejaw..... | 65,273,161 | 52,971,442 |
| New Westminster..... | 17,435,827 | 13,878,003 |
| Ottawa..... | 291,197,714 | 261,049,599 |
| Peterboro..... | 32,917,018 | 26,675,636 |
| Quebec..... | 213,504,960 | 192,163,703 |
| Regina..... | 169,800,107 | 124,349,588 |
| St. John..... | 104,127,587 | 90,946,795 |
| Saskatoon..... | 93,730,650 | 68,316,148 |
| Sherbrooke..... | 33,949,436 | 24,478,894 |
| Toronto..... | 3,004,785,365 | 2,571,535,613 |
| Vancouver..... | 419,610,898 | 321,588,718 |
| Victoria..... | 84,822,216 | 80,331,121 |
| Winnipeg..... | 2,622,924,702 | 2,061,795,257 |
| | <u>\$12,554,204,066</u> | <u>\$10,557,060,950</u> |

BUILDING PERMITS

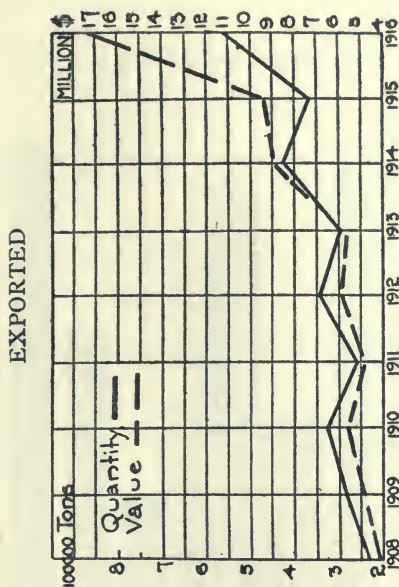
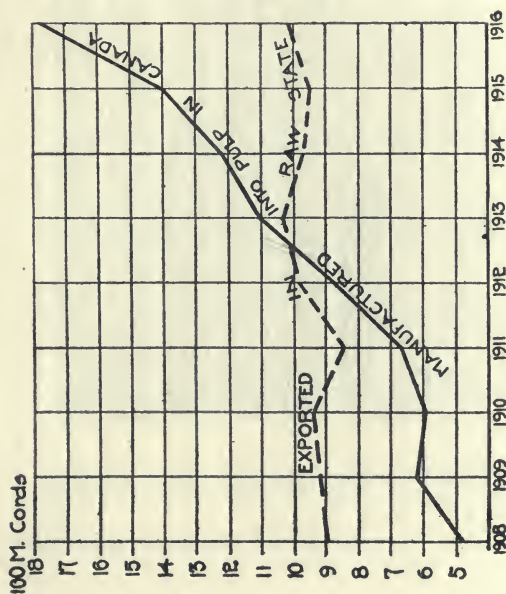
| | 1917 | 1916 |
|----------------|-------------|-------------|
| Montreal..... | \$4,387,638 | \$5,334,000 |
| Toronto..... | 7,163,000 | 9,882,000 |
| Winnipeg..... | 2,212,450 | 2,507,000 |
| Vancouver..... | 768,255 | 2,412,000 |
| Ottawa..... | 1,041,017 | 1,530,400 |
| Hamilton..... | 2,733,865 | 2,410,131 |
| Quebec..... | 2,459,386 | 2,912,157 |
| Halifax..... | 844,377 | 1,226,329 |
| London..... | 837,890 | 926,125 |
| Calgary..... | 548,200 | 653,500 |
| St. John..... | 531,250 | 464,350 |
| Victoria..... | 147,875 | 120,265 |
| Regina..... | 416,460 | 222,075 |
| Edmonton..... | 309,800 | 228,640 |

GROSS RAILWAY EARNINGS
(Twelve months ending December)

| | 1917 | 1916 |
|------------------------|----------------------|----------------------|
| Canadian Pacific..... | \$147,760,000 | \$136,500,000 |
| Canadian Northern..... | 40,752,300 | 37,665,400 |
| Grand Trunk..... | 66,228,097 | 60,251,630 |
| | <u>\$254,740,397</u> | <u>\$234,417,030</u> |

WOOD FOR PULP EXPORTED AND MANUFACTURED 1908-1916

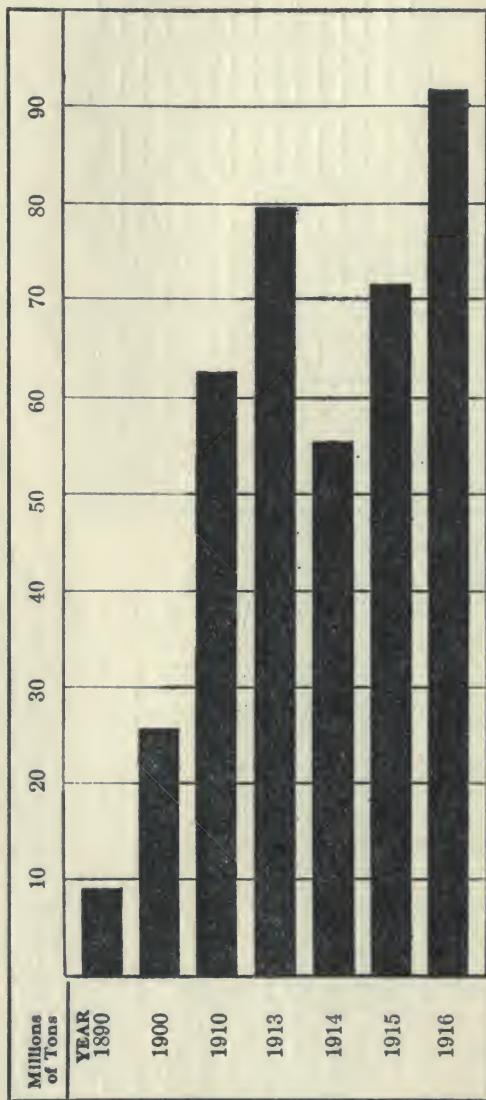
(Compiled by the Forestry Branch, Department of the Interior).



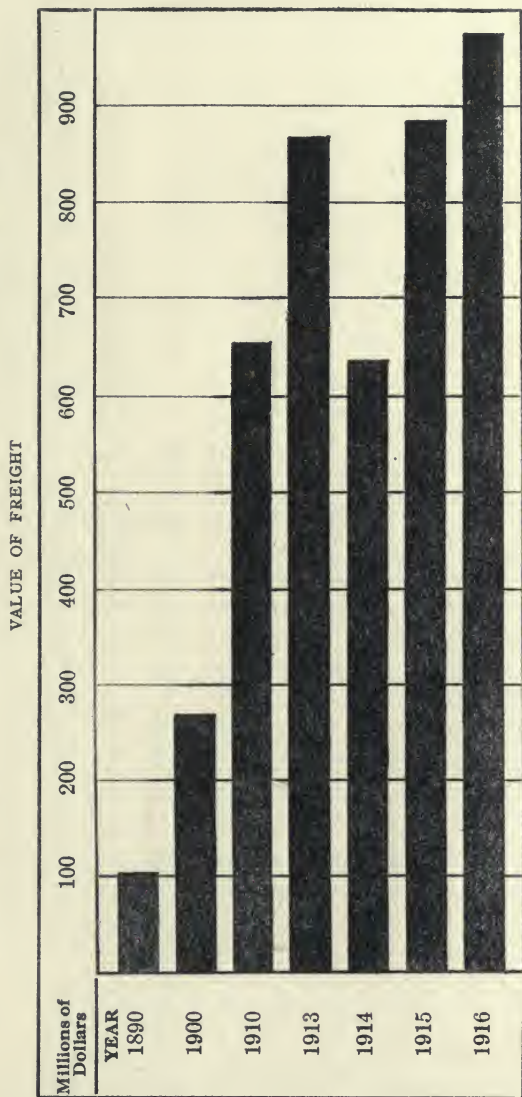
NOTE.—The diagram on the left shows the trend of pulpwood exports, and that on the right the relative increase in the quantity and value of such exports.

FREIGHT TRAFFIC THROUGH THE CANALS AT SAULT STE. MARIE

FREIGHT CARRIED, TONS

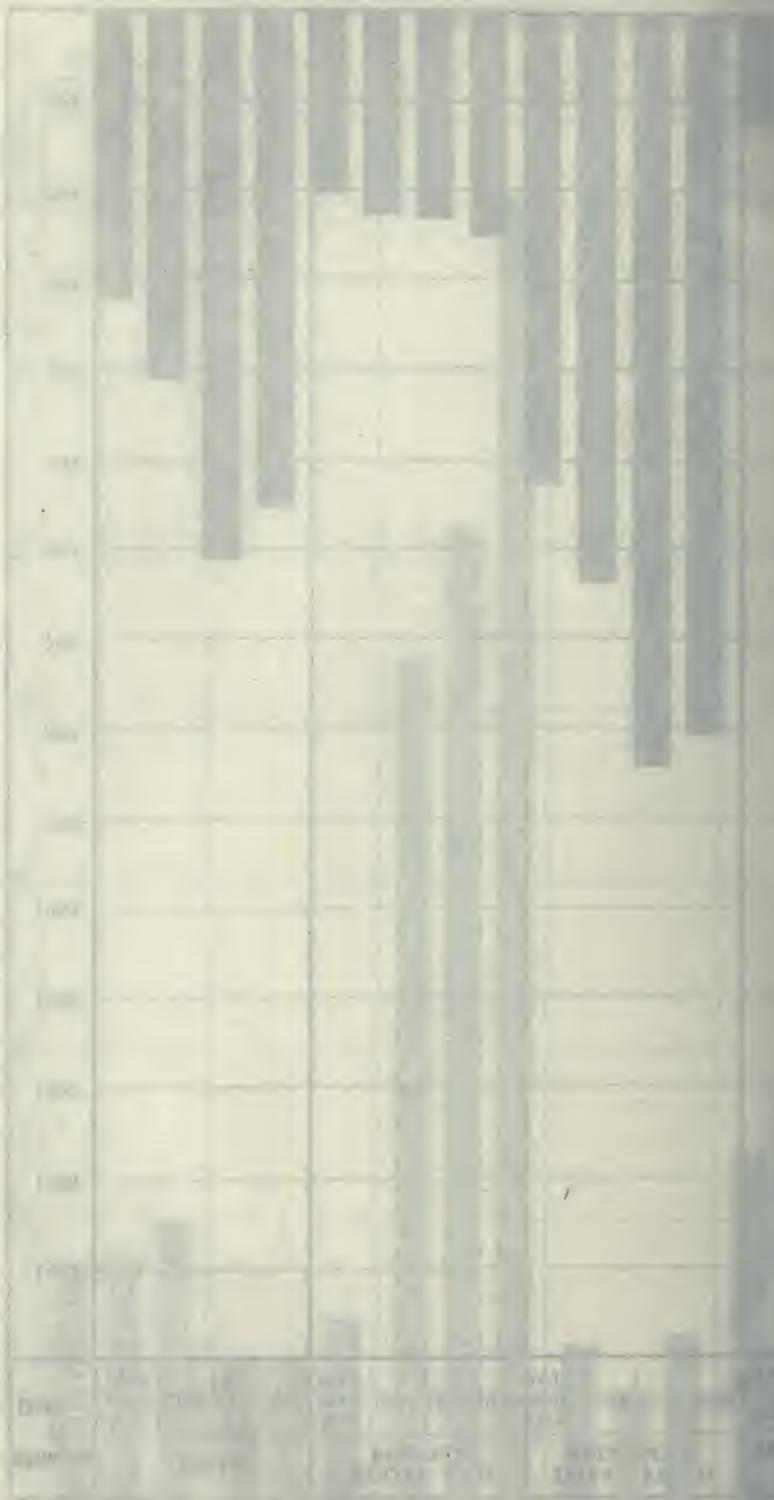


FREIGHT TRAFFIC THROUGH THE CANALS AT SAULT STE. MARIE









| Station or District | 1915 | | | | | | | | | | | |
|------------------------|------|---|---|---|---|---|---|---|---|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |

